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ABSTRACT

This handbook was developed to assist teachers of secondary agricultural cooperative training with related instructional periods and to assist students in developing the civic and social aspects of their lives. The contents of the handbook are intended as a guide for teachers in leading group discussions with their class members, selecting appropriate discussion topics, choosing a suitable method of presenting the information, and increasing interest and active participation of class members. The first 16 pages in the handbook contain instructions on conducting group discussions and the presentation of information to students. Following this introduction, the handbook contains 85 topics of information that should be of value to students regardless of the occupation for which they are training. Each topic has a similar format that includes topic name, objective, references, student activities, teacher activities, questions and answers, and information sheets. Brief answers appear under each question in the handbook, and additional information is provided for each question in the information sheet. Some of the topics covered include the following: finding a job, preparing for interviews, holding a job, employee-employer relations, social skills, personal appearance, sources of credit and interest rates, Social Security, income tax returns, awards, Future Farmers of America, business records, merchandise planning, and safety on the job. (KC)

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GROUP INSTRUCTION HANDBOOK

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AGRICULTURE COOPERATIVE TRAINING

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PREFACE

The "Group Instruction Handbook" was developed to assist teachers of Agriculture Cooperative Training with the related instructional period and to assist students in developing the civic and social aspects of their lives, which are important to successful training and employment. The handbook is recommended to teachers of other cooperative training courses and programs.

The first 16 pages in the handbook contain instructions on conducting group discussions and the presenting of information to students. The handbook contains 85 topics of information which should be of value to students regardless of the occupation for which they are training.

A set of 105 transparencies has been developed for topics 36 through 85 to supplement the information and assist the teacher with the class presentations. Also available is a "Student Workbook - Agriculture Cooperative Training," which includes the same information as the first 36 topics in the "Group Instruction Handbook." In order to complete these topics, the student is required to perform certain activities.

Topics in the "Group Instruction Handbook" are numbered consecutively 900-1 through 900-85; however, this is not the recommended order for presenting the materials to students. The order of topic presentation should be based on the needs of the students. Each topic has a similar format which includes topic name, objective, reference(s), student activities, teacher activities, questions and answers, and information sheet. Brief concise answers appear under each question in the handbook, and additional information is provided for each question in the information sheet.

ACKNOWLEDGMENT

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This edition was revised by Bill T. Tomlinson, Assistant Coordinator; edited by Gene Hix, Editor; and illustrated by Charles Palmer, Subject Matter Specialist, Vocational Instructional Services.

Appreciation is also expressed to the Industrial Education Department, Division of Extension, The University of Texas, Austin, for permission to use some of the materials in Volumes I and II of the "Students Personal Adjustment to Work."

Foy Page, Coordinator

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Texas A&M University
College Station, Tx 77843

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INTRODUCTION

PURPOSE OF GROUP DISCUSSIONS

Purpose of Manual

The contents of the "Group Discussion Handbook" are not intended as a course of study but as a guide for teachers in leading group discussions with their class members. It proposes to help the teacher select appropriate discussion topics, choose a suitable method of presenting the information, and increase interest and active participation on the part of class members.

Need for Group Discussions

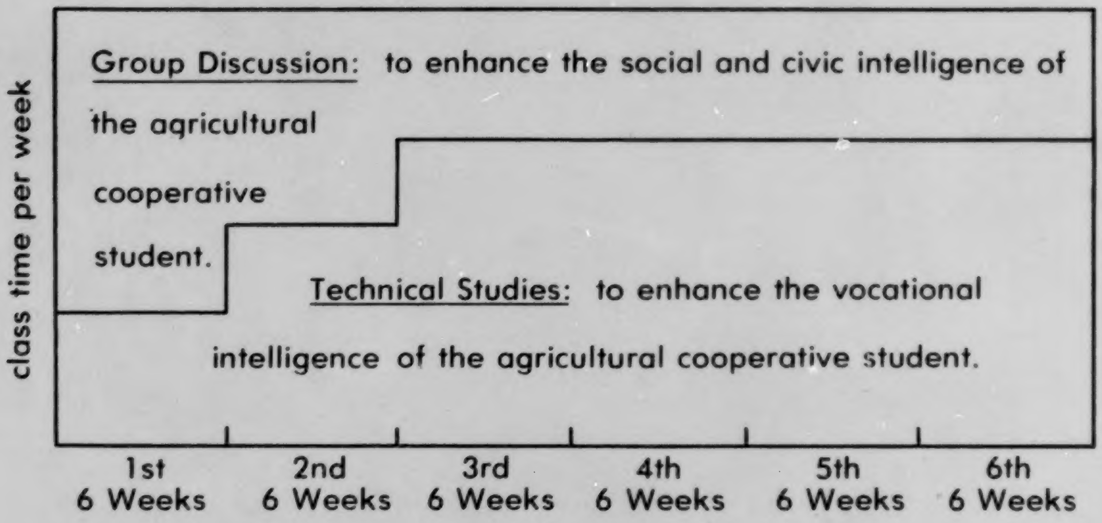
In accordance with the philosophy of the national vocational acts on cooperative education, which aims to "enhance the civic and vocational intelligence of the part-time worker," the primary purpose of group discussion is to develop the civic and social aspects of the agricultural cooperative student's life. For many students, their current jobs are the first in which they are working with and on the same level as adult workers. It is only natural that they may not have "grown-up" attitudes toward their employment and may be ignorant of many of the so-called ethical practices which adults have learned over a period of years and have come to take more or less for granted.

The first few months - and certainly the probationary period - is the most critical period in agricultural cooperative student's training. Several factors, such as the confusion of a new environment, the fear of not being acceptable to the employer and fellow workers, and the realization of the lack of experience and technical knowledge, prey upon the emotions of the average beginning student to the extent that he/she may develop undesirable work habits or may become antisocial and emotionally unstable unless the transition from school life to employment is made less severe.

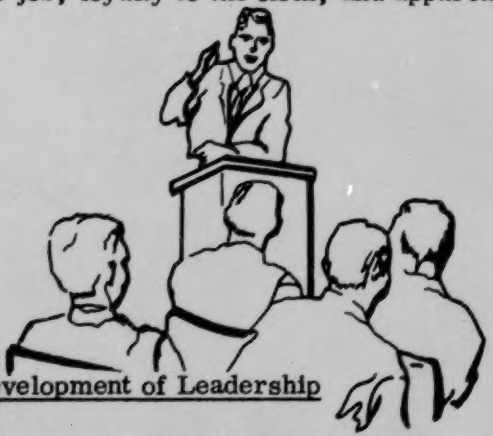
The building of confidence and creating desirable attitudes toward school and employment are the first responsibilities of the teacher to a student. During the early months of training, the technical information surrounding a given occupation - as necessary as it is - is secondary in importance to putting the students in the proper psychological state where they can really profit from technical instruction. The relative importance of the group discussion and technical studies throughout the training period are shown graphically on page 2.

In the following graph it can be seen that, at the outset, the group discussion occupies a place of greater importance than the technical studies, and as training progresses, the need for it decreases as the technical information assumes greater importance.

AMOUNT OF TIME TO DEVOTE TO GROUP DISCUSSION AND TECHNICAL STUDIES



By way of summary, frequently it will be found that the attitude of the worker toward the job, loyalty to the firm, and apparent fitness for the job are the factors which serve as a basis for evaluating a beginning worker, rather than elementary skills or technical information acquired or about to be acquired. This being true, it is the primary obligation of the teacher to strive to improve beginning students attitudes toward their work and broaden their understandings of human relationships.



Development of Leadership

Another objective of group discussion is the development of an appreciation for and an understanding of the basic principles of conference discussion leadership on the part of the group members. The information gained by observing the proper techniques of conference leadership employed by the teacher in analyzing problems and situations, plus experience from time to time in actually planning and leading discussions, should prove valuable to each student.

Purpose of Group Discussions
(Introduction Sheet Continued)

Practically every high school student has at some time or other had the opportunity presiding over a student group as chairman of a committee or leader in an assembly of students.

Some have a natural "knack" for leading a group, while many may acquire skill if afforded an opportunity. Certainly in employment, the ability to lead others is an invaluable asset; it is the distinguishing feature of the foreman, supervisor, and manager and is one of the chief qualifications for promotion to these positions.

It would be well for the teacher to encourage individual class members to lead group discussions and to give them personal "coaching" in the various techniques of conference leadership. Additional experiences may be provided students by permitting them to select discussion topics and make preparations for presenting them to the group.

PLANNING A DISCUSSION

Selection of the Discussion Subject

The collective needs of class members should be the principal guide in choosing an appropriate subject for a group discussion. These needs may be discovered by the teacher through several means: conferring with employers, conferring with teachers, observing students in school work and extracurricular activities, diagnostic and achievement tests, and school records and reports.

The discussion topics found in this manual are grouped in several units as a matter of convenience - not in order of importance. The teacher should select the topics from each unit as the need for them arises. Class members themselves may be consulted in selecting topics. This practice cannot be used exclusively because the students may be inclined to select the most interesting rather than the most important topics.

The teacher is justified in selecting a certain topic for the purpose of reaching only one or two members of the group having a specific problem which might be a source of embarrassment if discussed in a private conference.

Seven Methods of Presentation

After a subject has been selected for discussion, the best method of presentation is determined: whether to give a talk, invite a guest speaker, use discussion questions, or make an analysis of the problem. Some of the various methods of presenting a subject are discussed on page 4.

Purpose of Group Discussions
(Introduction Sheet continued)

1. Lecture and Discussion. Lecture and discussion are the most used methods of presenting a subject; each has its advantages and disadvantages. Without a doubt, more information can be presented to a group through a prepared lecture than by a spontaneous group discussion; yet, the effectiveness of this method is far inferior due to the fact that people - especially high school students - are more or less immune to "preaching" and "sermonizing" on the part of their teachers.

The most advantageous use of the prepared lecture is in presenting new information to a group without thought of testing the members later. This will provide students with a background of information and familiarize them with the subject, which may be used as a basis of discussion. The fact that a thought or idea presented by a student, even in an unskilled manner, is more relevant than if a skilled lecturer had presented it, makes the group discussion better suited for use with high school students than the lecture in treating nontechnical topics. In handling subjects in which the group has had limited experience, a lecture should precede the discussion. The group discussion also has the added value of utilizing student participation which is conducive to the building of self-confidence and developing leadership among the individual class members.

2. Problem Analysis. Many topics suitable for use with a class can best be treated as problems for analyzing by means of the conference discussion method. The usual conference steps are as follows:

   a. Assembling information, data, and experiences of the group.
   b. Selecting the experiences and data which pertain to the problem.
   c. Evaluation of the experiences and data.
   d. Conclusion of decision made by the group.

Much of the effectiveness of this method depends upon the analysis "factors" or headings which are selected. Problems which may have a solution may be analyzed by one of such headings listed on page 5.

Purpose of Group Discussions
(Introduction Sheet continued)

A.	The Problem	Difficulties Involved	Possible Solution	Recommended Solution

B.	What's Wrong?	Causes	Remedies

C.	What's Wrong?	Whose Responsibility?	Results If Unchanged	Remedies

Controversial problems - those which involve the exercise of judgment - and consequently have no solution - should never be analyzed by the use of the above headings which call for "recommendation." A conference leader should not attempt to have a group decide on such problems as:

"Shall I join a labor union?"
"The value of a college education."
"Equal employment status of Caucasians and Negroes."

Such controversial questions should be analyzed under such headings as:

A.	Advantages	Disadvantages

B.	Points in Favor	Points Against

C.	Possible Course of Action	Points in Favor	Points Against

Case problems are effective in group discussions to stimulate interest and spontaneous group participation, because they represent real life situations commonly encountered by the students at work, in the school, and in society. The cases used may be presented by the leader or by members of the group. Care should be taken to make the names of persons and places anonymous and not to make the situation too obvious in cases which might cause embarrassment.

Typical or hypothetical case problems may be presented for analysis as well as actual cases. They should be those frequently encountered and not based on unusual or peculiar circumstances. In stating the problem, all information having a bearing on the case should be given briefly and objectively. An example of the use of a case problem in a group discussion is given below.

Case: A high school sophomore is required by school policy to plan his courses for the remaining two years of work. He is from a family of only moderate financial circumstances; which consists of a widowed mother, an older sister who is taking a liberal arts course in college where she earns her own expenses, a brother who works as a mechanic and is chief contributor to the family income, and a younger brother in the elementary grades. The boy is an average student, scholastically, and is a fair athlete.

His sister wants him to attend college and work toward a medical or law degree. There is the possibility that the family may "come into some money" when a certain relative dies; also, the sister thinks she will be able to contribute toward his expenses when she graduates and is earning more money.

Problem: The boy is confronted with the problem of whether (1) to take the courses prescribed for professional training in college or (2) to choose a course which includes one-half day of vocational training for the last two years.

The teacher presents this hypothetical case which closely parallels several cases which he has encountered as an advisor and counselor. The objective is not to present arguments in favor of a proposition but rather to develop "pro" and "con" points to be considered by a student in planning his future course of study, to cause the student to stop and think, so to speak, before making a decision which may have an important bearing on his future life. An analysis heading similar to C (see top of page 5) is selected, the group is led in an analysis of the problem. The recommendations which the group might make at the close of the discussion should concern what the student in question should do before making up his mind, not what decision the group thinks he should make.

3. Guest Speakers. Many topics of interest and importance to all members of a group may be presented effectively by guest speakers from the school and community. Civic leaders, ministers, law enforcement officers, personnel directors, industrial leaders, skilled mechanics, and bankers - all have information and ideas which are vital to the welfare and training of high school youth. Needless to say, the teacher should make necessary preparations for the guest speaker and should not be guilty of asking a person merely to "come and talk to my class."

Purpose of Group Discussions
(Introduction Sheet continued)

In order to make presentations more effective, the teacher should observe the following suggestions:

a. Provide the speaker in advance with the following:
   (1) The type of class and students to be addressed,
   (2) Specific points or ideas which should be brought out; let the speaker know what the teacher would like to hear; and
   (3) Why and how the subject will benefit the group.

b. Prepare the student group in advance.
   (1) Provide title of the topic to be presented.
   (2) In certain instances, have students list pertinent questions to ask the speaker following presentation, and
   (3) When necessary, discuss with the group such matters as etiquette and conduct.

c. Follow up presentation.
   (1) When feasible, have the guest speaker conduct a question-and-answer session following talk.
   (2) If the speaker did not do so, have the group summarize the pertinent points of the talk at a later time.

4. Films, Slides, and Filmstrips. Several films and filmstrips on appropriate subjects are available for use with student groups. The use of films should be planned and should not be merely for entertainment, or without a definite purpose in mind. Following are some suggestions on the use of films:

a. Select a film which is of interest and value to every student in the group, regardless of his/her vocational objective.

b. Always review a new film before showing to the class.
   (1) Evaluate its content; do not show it if it is not appropriate.
   (2) List pertinent points of information or interest which may be discussed after the showing.

c. Prepare the group in advance.
   (1) Inform the students as to the contents of the film and points to observe.
   (2) Inform students that a discussion will follow showing.

d. While film is being shown, oral comments or interruptions should not be made.

e. After the showing, discuss the key points observed in the film. Summarize them.

Purpose of Group Discussions
(Introduction Sheet continued)

f. Lead the group in evaluating all aspects of the film.

g. Record the title and date of showing with such comments or evaluations of the film as are appropriate.

5. Dramatization. The teacher should take advantage of every opportunity to vary the activities of the group discussion periods and not allow them to become monotonous through the use of the same type of presentation each day. A few topics lend themselves nicely to dramatization, a technique which not only is quite effective but which adds a certain amount of interest to the discussion period.

Short skits may be written and acted out by students on such topics as:
"The Right & Wrong Ways to Apply for a Job"
"The Right & Wrong Ways to Use the Telephone"
"The Right & Wrong Ways to Receive a Visitor"
"How to Introduce a Friend; Your Employer; Your Parents"

Pantomime can be used effectively to put over such topics as:
"How to Render First Aid in Case of Shock"
"How to Render First Aid in Case of Bleeding"

6. Debate. For treating certain moot subjects, a debate may be arranged between two or four members of the group. If a debate is used, it is suggested that the rules of the Interscholastic League be used and adhered to strictly. The value of the debate is usually limited to the participants, who gain worthwhile experience in doing a certain amount of research on a subject and in presenting their arguments in a logical, orderly manner.

7. Panel Discussions. A small group of volunteer or selected members, called a "panel," may be called upon to discuss a certain subject before the group. After the panel discussion, the group at large should be given the opportunity to direct questions to any member of the panel for discussion. Such activities must be kept strictly under control at all times. The panel discussion, like the debate, is of chief benefit to the participants, who gain experience in preparing their material and in speaking extemporaneously.

SUGGESTIONS ON LEADING A DISCUSSION

1. For clarity, and in order to eliminate confusion, the leader should state the questions or problems in clear, simple language. If the members do not understand the questions or problems, the leader should restate them.

Purpose of Group Discussions
(Introduction Sheet continued)

2. Questions should not be answered by the leader. Questions are referred to the group, or one member is designated to answer. This is very important. As soon as the leader begins to supply answers to questions, group thinking stops, and the members settle back in their chairs to listen to the discussion.

3. The leader must make sure that all points of view or all factors related to the problem are adequately presented by the group discussion. This may require the leader to present questions to the group.

4. Since the primary purpose of using discussion is to encourage individual participation, the leader will be successful in proportion to his/her ability to let the group members do the talking.

5. The leader should never force ideas on the group. Definite ideas should be brought out by group members through judicious questioning or by citing specific cases which involve the idea.

6. Discussion will be successful in proportion to the distribution of discussion among the various group members. A few individuals should not be permitted to monopolize it.

7. The leader should be on guard to avoid being unwillingly "sidetracked." If a group member begins to talk about something that is not pertinent, the leader may ask the member to state just how those remarks apply to the topic under consideration.

8. Sometimes a group will, for instance, manifest superior interest in some phase brought out in the discussion and insist on going into an unrelated discussion. The leader, in such a case, should handle this discussion until the temporary interest abates and then quietly bring the discussion back to the main topic.

9. When group interest in a topic definitely lags, it is usually good strategy for the leader to summarize the discussion on the topic up to that point. This is accomplished by making a statement such as: "On the basis of the discussion so far, it appears that the group believes so and so." Such a summary will close the discussion on the topic if the group is in general agreement on the summary. If

general agreement has not been reached, such a summarization may revive the discussion.

10. If the group is no longer interested in a topic, it should be dropped, at least for the moment, and another topic or problem taken up. If the leader feels that the topic has not received adequate discussion, it may be rephrased later in such a way as to revive interest in it.

11. The leader should be intent on catching any contribution from a group member, no matter how timidly or haltingly uttered or crudely expressed. If the idea is not clearly expressed or is apparently irrelevant, the leader should ask the member offering it to give a case of illustration of what he/she has in mind and, after the statement, assist the member in clarifying it. The leader should, however, keep the member's own form of expression as far as possible.

12. The leader should maintain direction of group thinking by exercising active, intellectual leadership. Any attempt to control discussion by presiding as chairman using strict parliamentary procedure will be fatal to a spontaneous discussion.

13. The leader should avoid directing all questions to the group at large. Some questions may be well directed to individuals who have had little or no part in the discussion.

14. It is well to use specific cases or problems frequently instead of overworking the use of questions alone.

15. The leader should be on guard for any situation developing which, if allowed to continue unchecked, might destroy any further chance of continuing the discussion on a frank and open basis. Indications of such a situation are as follows: group members begin to indulge in personalities; a group member persists in discussing matters irrelevant to the topic in which the group is interested; and a few individuals monopolize the discussion to the disgust of the whole group; and members carry on side discussions which distract attention. When such situations arise, the leader should curb them with a frank statement or handle them in any other manner deemed necessary.

16. Many topics will receive maximum discussion if phrased in a negative way first, as it is much easier to think of things that are wrong than of things that are right.

17. The leader should, in general, avoid asking for a majority opinion. This device has been very much overworked. It rarely settles anything but usually antagonizes the persons who disagree.

Purpose of Group Discussions
(Introduction Sheet continued)

18. Active thinking is a slow, painful process to many people; hence the discussion leader should allow the group ample time to think things out and not attempt to hurry the thinking too much, especially on the part of high school students.

19. The use of the chalkboard or a chart for listing ideas and categorizing them under appropriate headings as they are contributed by group members is one of the most valuable of all discussion devices for handling certain topics in an efficient manner. Such headings as listed on page 5 should prove valuable to the leader in planning the discussion period.

20. Where a series of discussion topics have been planned for successive meetings, it is advisable for the leader to show the relationship of the discussion just finished to the next topic or subject to be taken up. In other words, a brief "preview" of the next topic, explaining its importance, should be given.

21. By all means, a group discussion - like any well-prepared lesson - should end with a summary of what was discussed. Decisions reached and the most interesting points should be included in the summary. If the discussion is lengthy and several topics or points have been taken up, it is well for the leader to summarize these points frequently in the course of the discussion. This will keep the group from losing continuity.

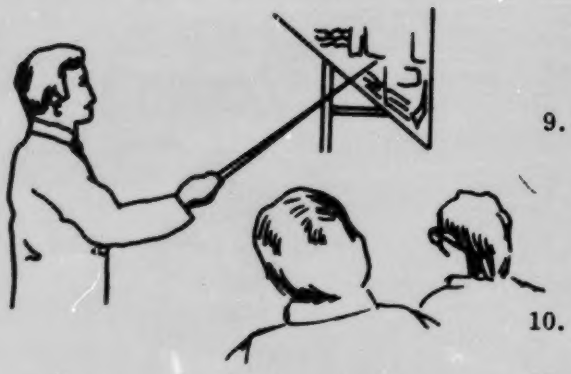
REMINDERS ON THE USE OF THE CHALKBOARD

The chalkboard is, perhaps, the most essential piece of classroom equipment. The effectiveness of its use can be greatly increased through the observance of the following suggestions.

1. Write, print, or draw quickly - slow work causes interest to lag.
2. Write legibly and large enough to be read by all.
3. Arrange work in neat, orderly manner.
4. Don't talk to the chalkboard.
5. Don't obstruct the view.

6. Avoid using unnecessarily long words and sentences which may be confusing. A phrase is better than a sentence. A word is better than a phrase. Use standard abbreviations and ditto marks whenever possible.

7. If material is to be copied from the chalkboard, allow sufficient time for the group to finish writing before reading or making explanations of the material.



8. Drawings, graphs, and outlines that will be used throughout the discussion should be put on the chalkboard before starting the discussion. It is best that the material be covered until used.

9. If material is to be developed in the meeting, begin writing on the right-hand side of the chalkboard (for a righthanded person) so as not to obstruct the view.

10. Use a pointer.

11. Clear the chalkboard after use.

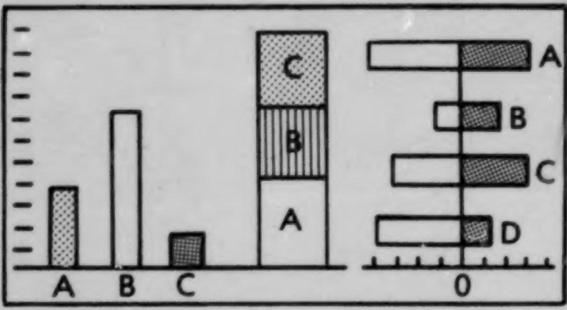
Suggestions on the Use of Free-Hand Chalkboard Illustrations

Eighty percent of human knowledge is acquired through the sense of sight. An object which can be seen is far more intelligible to a person than hundreds of words describing it. Words are but symbols of objects and ideas which must be visualized by the listener or reader before they can be understood and remembered. Excessive use of words and ideas which are hard to visualize - especially abstract ideas - produces a mental fatigue in the listener. Also, it requires the listener to overwork his/her mind in an attempt to follow and understand the speaker.

A sketch or illustration is a representation of the real thing. It supplies the visual element to learning and enables one to grasp the true meaning of a word more quickly. For this reason, lectures and written matter can be made clearer and more interesting through the liberal use of illustrations.

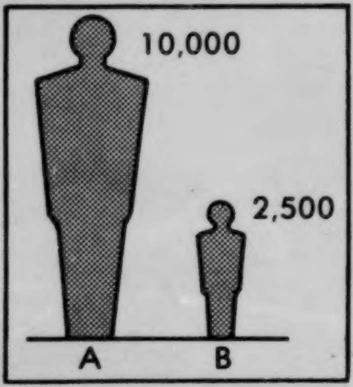
Purpose of Group Discussions
(Introduction Sheet continued)

The same principle applies to the use of numerals (numbers). Few people have the ability to associate numbers - especially large ones - with the quantities they represent. For example, it is quite easy for a person to compare the lengths of two sticks by looking at them, but it is a different matter for him to make a reasonable comparison between them if their lengths are merely described as being 17¼ and 11⅓ inches, respectively. Likewise, it is much easier to see the relationship between the numbers 5,680 and 32,225 if these two quantities are represented by the lengths of two lines or areas of two figures.

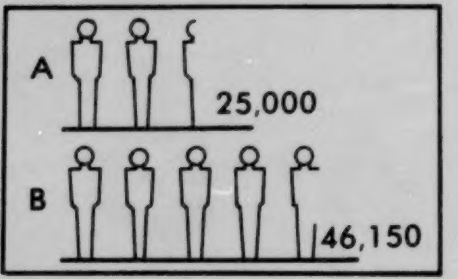


With the idea of assisting the discussion leader in making the work at the chalkboard easier to understand and more interesting, the following suggestions are given.

Bar graphs are of several types and are useful in making comparisons between two or more quantities. The lengths of the bars represent the ratios between the quantities. Frequently, contrasting shading or coloring is used to make identification of each quantity easier.



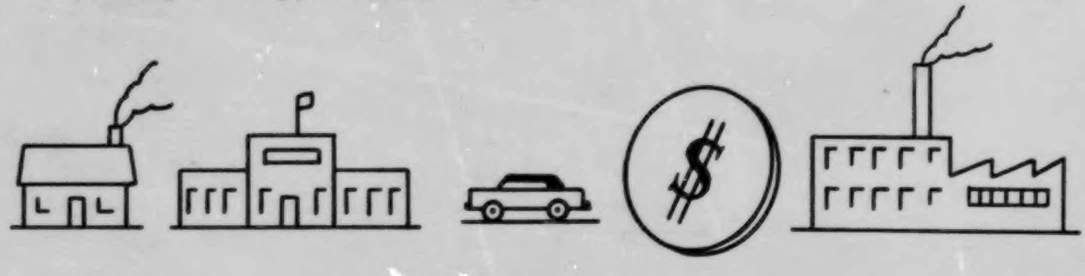
Pictorial comparisons of familar objects may be used to represent the magnitude of two or more quantities. The size of the objects provides a visual estimate of the ratios of the various factors. It must be remembered that in this type of drawing, it is the comparative areas of the objects, not the heights, that are significant. For example, the figure A to the left is twice as tall as the figure B but has four times the area; hence, the ratios of the two quantities represented are four to one.



Another method of making comparisons of quantities, which perhaps is better but more laborious, is the use of an object to represent a certain unit of quantity, say, 1,000, 10,000, and the like. In the figure at left, each figure represents 10,000 persons.

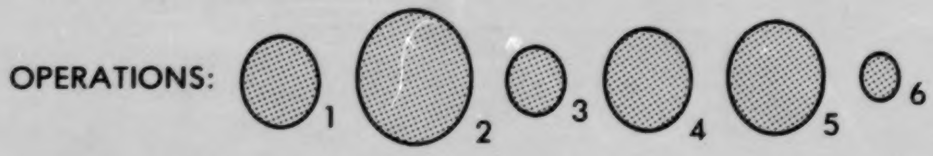
Purpose of Group Discussions
(Introduction Sheet continued)

Other objects, such as houses, schools, automobiles, industrial plants, dollars, and the like, may be used as well as human figures. Sketches of such objects may be used to symbolize abstract ideas used in a lecture or discussion, such as home environment, public schools, industry, economic wealth, etc.



Through the use of lines, arrows, and location, the relationship between these ideas may be illustrated for the purpose of putting over a point more effectively.

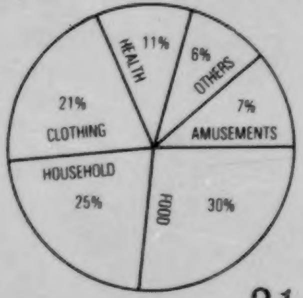
Abstract ideas which are difficult to symbolize with familar objects like those just mentioned may be represented by simple figures such as circles, squares, and rectangles. For example, the relative difficulty in performing a series of operations in doing a certain job may be represented as shown below.

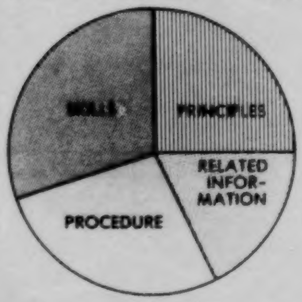


Also, the relative importance of the factors which determine the effeciency of a worker in a certain type of occupation may be represented as follows:

EFFICIENCY = $\boxed{\text{MANIPULATIVE SKILLS}}$ + $\boxed{\text{TECH. INFO.}}$ + $\boxed{\text{JOB INTELLIGENCE}}$ + $\boxed{\text{MORALE}}$

Pie charts are simple to sketch and are quite effective in showing percentages, distribution, and relative importance of things in general. Two examples of their use are illustrated.





Purpose of Group Discussions
(Introduction Sheet continued)

Any type of comparison chart which is based on statistics or other data should have the numerals written in or opposite the factors they represent.

"DO'S" AND "DON'TS" ON THE USE OF QUESTIONS

Questions are indispensable in teaching and leading discussions. The effectiveness of their use can be greatly improved through the observance of the following.

"Do's"

1. Direct questions to the group, rather than to an individual. If no one volunteers an answer, the question is then directed to one person.

2. State the question first when directing a question to an individual, then call on the person for answer. Example: "What are some ways in which a workman can be reminded to wear goggles while using the grinding wheel? (Pause) John?"

3. Frequently require the person answering question to justify answer by asking, "Why?" "How do you know?" "Give an example."

4. Encourage students asking questions to use their reasoning power by the use of "counter-questions," such as "Where could you go to find this information?" or "What has already been stated about this?"

5. Dismiss irrelevant questions or comments without offending the person asking the question or making the comment. Example: "Will you please save that question (or comment) for another time?" or "Let's please confine our discussion to the question at hand."

6. Formulate clear, understandable questions. Acceptable trade terminology is preferable at all times to "high sounding" words.

"Don'ts"

1. Ask questions designed to embarrass or confuse a person.

2. Ask questions that can be answered with "yes" or "no" without following with "Will you explain?" or "What reasons do you have for your answer?"

3. Ridicule or embarrass a person giving a wrong answer. Such comments as "I hardly think so - what does the group think?" "I hadn't thought of it in that light, but -," and "Perhaps I stated the question wrong" will do much to soften the embarrassment of having given a wrong answer.

Purpose of Group Discussions
(Introduction Sheet continued)

4. Ask (1) unnecessarily long, rambling questions; (2) indefinite, ambiguous questions; (3) questions with too many "you's"; (4) two questions in one. Examples:

POOR:	"If you are sawing a piece of steel with a hand hacksaw and about half way through the blade breaks for some reason or other, what should you do, and why is this very important?"
BETTER:	"If a hacksaw blade breaks, should one finish the cut with an old or a new blade? Explain."

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(Note: With some revision, this material is copied by permission from "Students' Personal Adjustment to Work," a publication of the Industrial Education Department, The University of Texas at Austin.)

TOPIC: AGRICULTURE COOPERATIVE TRAINING

OBJECTIVE: To acquaint the student with the different aspects of the Agriculture Cooperative Training Program (ACT) and its purposes and objectives.

REFERENCES:

1. Information Sheet, "Cooperative Training in Agriculture"
2. "Handbook for Agriculture Cooperative Training"
3. Applications for Agriculture Cooperative Training Awards
4. "Record Book for Agriculture Cooperative Training"
5. Blank Training Plans

STUDENT ACTIVITIES:

1. Assist in the development of students' training plans, particularly the part, Outline of Study Assignments.
2. Review the Agriculture Cooperative Awards Application.
3. Review sample sheets of the "Record Book for Agriculture Cooperative Training."

SUGGESTED TEACHER ACTIVITIES:

1. Review the history, purposes, and objectives of the Agriculture Cooperative Training Program.
2. Provide each student with a copy of the Agriculture Cooperative Training Awards Application and review and explain each part of the application.
3. Provide each student with a sample copy of a training plan and explain and review each part of the plan.
4. Ask students to assist in completing the preliminary copy of the training plan.
5. Provide each student with a copy of the "Record Book for Agriculture Cooperative Training" and review and explain each part of the record book. Samples or illustrations of completed pages may be helpful.

QUESTIONS AND ANSWERS:

1. What recommendation did President Kennedy's advisory group make on Vocational Education?
   The advisory committee recommended that "the vocational agriculture program, under Federal reimbursement, should be broadened to include instruction and increased emphasis on management, finance, farm, and other similar topics."

2. How was information obtained to determine employment opportunities and the education level needed for agricultural occupational employment?
   By conducting surveys in 26 states.

3. Discuss the information obtained from these surveys.
   a. Almost half of the people employed in agricultural occupations have not received any training in agriculture.

b. Employers expect a 20% increase in the number of employees who need agricultural training.

c. The greatest need for agriculturally trained employees will be in agricultural sales and service, horticulture, and livestock and crop food products marketing.

4. Discuss the Texas pilot programs in Cooperative Part-Time Training in Agriculture.

   It was determined from the pilot programs that ACT was a very successful and effective method for training students in agricultural occupations, and that the program offered the student the following advantages:

   a. Provides for a certain amount of selection and "try-out" in vocations.
   b. Provides an opportunity to learn an occupation while earning a high school diploma.
   c. Provides training on real jobs under real conditions.
   d. Provides an opportunity to establish a reputation on the job through two years experience.

5. What is the relationship of the ACT program to the total school program?

   The high school program of vocational agriculture education is designed to meet the needs of youth who plan to enter farming, ranching, or other agricultural occupations. The ACT courses provide instruction for high school students who have an interest in and a vocational need to become established in an off-farm agricultural occupation.

6. What is Cooperative Part-Time Training designed for?

   It is designed to provide technical instruction, on-the-job training, and work experience for high school vocational agriculture students preparing to enter employment in agricultural occupations.

7. Discuss what students do in the ACT classroom.

   Students in an ACT course spend one hour in class each school day to receive instruction in the occupations for which they are training. They also must spend a minimum of 15 hours of supervised employment per week. Seven of the 15 hours must be during the weekdays, while a maximum of eight hours may be on Saturday and/or Sunday.

8. How many credits may a student earn in Agriculture Cooperative Training?

   Students may earn a minimum of three units of elective credits on the successful completion of each year. A maximum of two years may be spent in the program.

9. What are the prerequisites for Agriculture Cooperative Training?

   In order for a student to be eligible to enroll, he/she must be 16 years of age and a junior or senior in high school.

10. What are the training objectives of Agriculture Cooperative Training?
    a. The student should develop the basic skills required in order to become a competent employee in an occupation.
    b. The student should develop the technical and related aspects of an occupation through daily class work under the supervision of the vocational agriculture teacher.
    c. The student should acquire an appreciation, attitudes, and work habits that will contribute toward the development of good citizenship by developing physical, social, civic, cultural, and economic competencies.
    d. The student is provided an opportunity to learn an occupation while earning a high school diploma.
    e. The student is provided an opportunity to prepare for a higher salary.

11. What are some of the leadership activities in which the student may participate
    As FFA members, students are eligible to participate in all leadership activities sponsored by the local, district, area, and state FFA units.

12. What is the purpose of a training plan?
    The training plan is a plan or guide developed and followed at the training station and school to train the student. It has three purposes:
    a. To serve as a guide for the teacher and employer in providing the student with both practical work experiences and technical information related to the occupation;
    b. To provide a record of the student's progress on the job; and
    c. To provide a record of the student's related (classroom) studies.

13. List two ways in which work experiences may be listed on the training plan.
    a. List in order of difficulty, from the easiest to the most difficult (Some occupations have a traditional progression order, while in others it is difficult to follow a given order), and
    b. List by semesters.

14. What individuals should have input in the development of the training plan?
    Teacher, training station supervisor, and student.

15. What are the purposes of the "Record Book for Agriculture Cooperative Training"?
    Determine training received and skills acquired by student;
    a. Determine award winners;
    b. Determine selection of study guide topics;
    c. Evaluate training station;
    d. Serve as a record of income received and social security and income taxes paid;
    e. Evaluate student's training; and
    f. Allow student to learn to keep records which are necessary as an adult.

Information Sheet
on
COOPERATIVE TRAINING IN AGRICULTURE

Shortly after John F. Kennedy was elected President of the United States, he directed the Secretary of Health, Education, and Welfare to "convene an advisory body drawn from the educational profession, labor-industry, and agriculture, as well as the lay public, together with representation from the Department of Agriculture and Labor, to be charged with the responsibility of receiving and evaluating the current National Education Acts, and making recommendations for improving and redirecting the program."

Twenty-five individuals from the above groups were selected to make this study and after completing the study made the following recommendation: 'The vocational agriculture program, under Federal reimbursement, should be broadened to include instruction and increased emphasis on management, finance, farm, and other similar topics." The above recommendation was implemented in PL 88-210.

Prior to the directive issued by President Kennedy to the Secretary of Health, Education, and Welfare, leaders in the field of Agricultural Education had recognized the need to broaden the field of agricultural training so that it would include the preparation of students for agricultural occupations. Agribusiness and agri-related occupations were terms already in use that described agriculture and its relationship to businesses dealing in agricultural products and services.

Recognizing the broadened responsibility of vocational agriculture, the National Center for Advanced Study and Research in Agriculture Education, located at the Ohio State University, called two National Research Coordination Conferences on Off-farm Agricultural Occupations. In order to obtain information to determine employment opportunities and the education level needed for agricultural occupational employment, twenty-six states conducted surveys. The following information was obtained from these surveys: (1) almost half of the people employed in agricultural occupations have not received any training in agriculture; (2) employers expect a twenty percent increase in the number of employees who need agricultural training; (3) the greatest need for agriculturally trained employees will be in agricultural sales and service, horticulture, and livestock and crop food products marketing.

Texas was not one of the twenty-six states making the agricultural occupations survey, but it is believed that the results obtained from the surveys in other states would be equally as impressive had Texas made the survey.

Under the direction of the late Mr. George Hurt, former Director of Agricultural Education, Texas Education agency, eight vocational agriculture departments in Texas conducted pilot programs in the 1965-66 school year to determine the effectiveness of Cooperative Part-Time Training in Agriculture (name of program was changed to Agriculture Cooperative Training in 1980). These schools found this to be a very successful and effective method for training students in agricultural occupations. They also found many advantages in this type of training, some of which are as follows: provides for a certain amount of selection and "try-out" in vocations, provides an opportunity to learn an occupation while earning a high school diploma, provides greater assurance of full-time employment in a chosen vocation, provides training on real jobs under real conditions, and provides an opportunity to establish a reputation on the job through two years experience. Undoubtedly, the advantages determined from conducting the eight pilot programs were valid, as 358 schools offered courses in Agriculture Cooperative Training in 1979-80 school year and had a student enrollment of 4,431. Prior to the initiation of some of the preemployment laboratory training courses, there was a greater number of students enrolled.

AGRICULTURE COOPERATIVE TRAINING (ACT) AND ITS RELATIONSHIP TO THE TOTAL SCHOOL PROGRAM

The high school program of vocational agriculture education is designed to meet the needs of youth who plan to enter farming, ranching, or other agricultural occupations. The ACT courses provide instruction for high school students who have an interest in and a vocational need to become established in an off-farm agricultural occupation.

Course Description

ACT is designed to provide technical instruction, on-the-job training, and work experience for high school vocational agriculture students preparing to enter employment in agricultural occupations.

Students enrolled in the course spend approximately one hour in class each school day to receive instruction in the occupation for which they are training. They also must spend a minimum of 15 hours of supervised employment per week. Seven of the 15 hours must be during the weekdays, while a maximum of eight hours may be on Saturday and/or Sunday.

Eligible students must be employed in an occupation or job approved for the cooperative program; and after entering the program, students must be employed no later than two weeks. To be approved for ACT, an occupation must (1) be classified as an agricultural occupation under the definition of occupations requiring knowledge and skills in one or more of these subjects: animal science, plant science, soil science, agricultural mechanization, farm and ranch management, agricultural leadership, and agricultural resources development; and (2) the occupation must require a minimum of 175 hours of classroom instruction and 525 hours of supervised on-the-job training and work experience.

Credits

Students enrolled in ACT earn a minimum of three units of elective credit in a school year toward a high school diploma on the completion of 160 clock hours of related classroom instruction plus 525 hours of supervised work experience.

Prerequisites

In order for a student to be eligible to enroll in an ACT course, he/she must be 16 years of age and a junior or senior in high school. Also the student must have an interest in and a need for such training. Acceptance for class membership is based on training objective, aptitude, interest, need, physical and mental competence, and other qualifications essential to successful employment.

Training Objectives

The ACT course prepares high school youth for useful employment. While enrolled in a class, (1) the student should develop the basic skills required in order to become a competent employee in an occupation; (2) the student should develop the technical and related aspects of an occupation through daily class work under the supervision of the vocational agriculture teacher; (3) the student should acquire an appreciation, attitudes, and work habits that will contribute toward the development of good citizenship by developing his/her physical, social, civic, cultural, and economic competencies; (4) the student is provided an opportunity to learn an occupation while earning a high school diploma; and (5) the student is provided an opportunity to prepare for a higher salary.

Approved Occupations

The following is a partial list of occupations for Agriculture Cooperative Training:

Agricultural machinery repair
Agricultural machinery set-up and delivery
Agricultural machinery mechanic's helper
Agricultural machinery parts employee
Agricultural machinery service supervisor
Feed warehouse employee
Feed sales and service
Seed sales and service
Agricultural chemical sales and service
Grain elevator employee
Poultry processing plant employee
Poultry farm worker - broiler production
Poultry hatchery employee
Poultry farm worker - commercial laying flock
Dairy farm employee
Dairy products employee
Meat processing plant employee
Fertilizer sales and service
Irrigation equipment sales and service

- Greenhouse employee
- Nursery employee
- Garden center employee
- Wildlife conservation employee
- Fruit and vegetable packing plant processor
- Feedlot employee
- Wool and mohair warehouse employee
- Swine farm employee
- Veterinary assistant
- Forestry employee
- Park and landscape employee
- Assistant groundskeeper
- Horse farm employee
- Ranch employee
- Cotton gin employee
- Crop farm employee

AGRICULTURE COOPERATIVE TRAINING AND THE FFA

Six ACT awards have been established on a local, district, area, and state basis. Each of the six awards represents a cluster of occupations; therefore, regardless of the occupation for which one is training, he/she is eligible to apply for an award. The awards are (1) Sales and Service, (2) Horticulture and Nursery, (3) Farm Machinery, (4) Veterinary Assistant, (5) Products Employee, and (6) Farm Employee. Area and state winners receive plaques and monetary awards.

Training Plan

A training plan, which may be developed for a one- or two-year period, is a guide or plan developed and followed at the training station and school to train the student. The cooperative training plan is designed to fill a three-fold purpose: (1) to serve as a guide for the teacher and employer in providing the student with both practical work experiences and technical information related to the occupation, (2) to provide a record of the student's progress on the job, and (3) to provide a record of the student's related studies.

Although the development of the training plan is the primary responsibility of the teacher, it should be a cooperative effort of the teacher, training station supervisor, and student. The plan should be developed before or immediately after the student commences training. An explanation is given for completing the front of the training plan on the example, while the following explains each section on the back:

Under the Work Experiences to be Provided, a list of the various types of jobs or work experiences in which the student-learner may be reasonably expected to engage during training is compiled. Although it is practically impossible to plan a definite sequence of work experiences months in advance and adhere strictly to the schedule, it is nonetheless imperative that some sort of logical and systematic method of listing the work experiences in the training plan be followed. The two most satisfactory methods of listing work experiences are explained below:

1. Jobs or work experiences may be listed in order of difficulty, from the easiest to the most difficult. Some occupations have a traditional progression order for learners; in others, it is difficult to follow a given order.

2. Work experiences or work assignments may be planned by semesters. Only new experiences should be included.

The Record of Work column is used by the teacher to record job progress and for recording the type and frequency of work experiences. Several different methods are used by teachers in recording the experiences.

The Outline of Study Assignments provides an area for listing topics, subjects, or information relating to and paralleling the work experiences listed in the first column. In general, these topics include the basic knowledge for the skills used in the occupation and the personal characteristics needed to be successful in working with others.

The Record of Studies column is used by the teacher to indicate the student's performance for the assignments. Several different methods may be used by teachers to indicate quality of performance. The letters A, B, and C may be used to indicate grades. From this record, the teacher should be able to determine how closely the work experiences and related studies of the student are correlated and where additional lesson assignments should be made.

Developing Training Plans

The principal responsibility for developing the training plan is the teacher's. However, it is suggested that the assistance of the student's supervisor at the training station be solicited. Also, input from the student should be solicited, particularly in the area of Outline of Study Assignment. The outline in the front of the course of study, prepared by Vocational Instructional Services, should be very helpful in preparing the outline of study assignments.

It might be feasible to use class time and the student's assistance in developing the preliminary training plan. After the preliminary training plan is developed, the teacher should make an appointment with the student's training station supervisor to review the plan. After the review, the development of the final copy should begin. Examples of training plans are shown on pages 57-64 in the "Handbook for Agriculture Cooperative Training."

Record Book for Agriculture Cooperative Training

The "Record Book for Agriculture Cooperative Training" is an important part of the course and should be completed in detail by the students.

It may be compared to a mirror. It should reflect all the student's activities in the ACT program. The book has several purposes:

1. Determine training received and skills acquired by the student;
2. Determine award winners;
3. Determine selection of study guide topics;
4. Evaluate training station;
5. Serve as a record of income received and social security and income taxes paid;
6. Evaluate student's training; and
7. Allow students to learn to keep records which are necessary as an adult.

The record book is composed of six different sheets. A discussion of the records kept on the different sheets is given below:

Pages 1 and 2 provide space for keeping records of the student's leadership and cooperative activities.

Pages 3 and 4 are provided for the student to record daily work experiences. The student should use two or three lines each day to describe experiences at the training station. If the student is absent from the training station, a notation of this should be made in the records. These sheets serve as a guide to the teacher in determining the order instructional materials will be presented during the related class period. Additional sheets may be inserted as they are needed.

Page 5 provides space for recording wages and deductions from wages. These may be recorded weekly, biweekly, or monthly, or for any other pay period.

Page 6 allows space for recording other agricultural income and non-agricultural income. Also, at the bottom of page 6, space is provided for recording the total of student's net income.

TOPIC: THE IMPORTANCE OF CHOOSING A CAREER

OBJECTIVE: To help the student develop an understanding of the importance of selecting a career and of the consequences involved after the career choice is made.

REFERENCE: Information Sheet, "The Importance of Choosing a Career"

STUDENT ACTIVITIES:

1. Consider the following statements before answering the questions for this topic.

   The life expectancy for an 18-year-old boy is 70.19 years; for an 18-year-old girl it is 72.95 years. This would indicate that after completion of high school, today's young people can expect to live about another 50 years. Most boys will probably work for about 40 of these years, while the average girl will work for about 25 years.

   During a lifetime the average person will need at least $250,000 to pay for goods and services. Some of these goods and services which are vital to life and well-being include food, clothing, housing, medical attention, education, and transportation. Today in our society, the "world of work" offers more than 20,000 different jobs for young people entering the labor market.

2. Read the information sheet before attempting to answer the questions.

SUGGESTED TEACHER ACTIVITY:

1. It is suggested that the teacher discuss the questions with the class after the students have completed the above activities.

QUESTIONS AND ANSWERS:

1. In America, what factor serves to identify people and their way of life?
   A person's occupation is the principal means of identity.

2. What are the consequences of choosing an occupation?
   a. The occupational choice may determine whether an individual is employed, underemployed, or unemployed.
   b. The occupational choice may determine the people with whom an employee associates.
   c. The occupational choice may determine whether a person likes or dislikes the work.
   d. The occupational choice may determine success or failure.
   e. The occupational choice may influence several aspects of life. The occupation may determine the area in which one lives, the marriage partner, the school children will attend, wages or salary, and physical and mental health.

f. The occupational choice may determine an individual's contribution to society.

3. Why do people work?
   a. Livelihood - To provide the basic needs of life for family and workers.
   b. Human relationships - For companionship and association with other persons.
   c. Personal development - For the opportunity of further self-development.
   d. Service - To make a contribution to the community and society.
   e. Security - Steady employment eliminates some anxiety about the future and increases self respect and confidence.
   f. Success - Accomplishments and promotions are used as a measure of success by many people. Most people want to be successful.

4. What are some of the decisions that agricultural cooperative students will make in the near future regarding their choice of occupations? Whether to:
   a. Continue their education in an area vocational-technical school, a community college, or a four-year college, or
   b. Seek employment immediately after completing high school, or
   c. Enter the armed forces after high school?

5. Who is going to be responsible for the outcome of a career decision? The student must make the decision and be prepared to adjust to the circumstances or outcomes.

Information Sheet
on
THE IMPORTANCE OF CHOOSING A CAREER

The importance of choosing a career cannot be over emphasized. Once a career choice has been made it is difficult to change without a loss or reduction in salary, seniority, and fringe benefits; and usually retraining is necessary. Due to a lack of occupational experiences, knowledge of the "adult world," and the fact that it must be made at a relatively young age, the decision as to a career is a difficult one to make. However, through a study of career opportunities and the career information available, and rational reasoning, most students can make a satisfactory choice.

In America, a person's occupation determines his/her way of life, and is the principal means of identity. It influences choice of friends, the way leisure time is spent, and is the central activity around which lives are planned. Because of the tremendous influence an occupation has on the "American way of life," high school students should become involved in employment experiences which will assist in making an occupational choice and in preparing them for employment.

The average person spends about 2,000 hours a year - 80,000 hours in a lifetime - in an occupation. Considering a lifetime of employment in another perspective, the average person will work for about 40 years (from about 22 to 62 or 65 years of age) for an average of 40 hours a week for 50 weeks a year. This emphasizes the importance of selecting an occupation that is challenging and adapted to the individual's aptitudes, interests, and personality.

In order to make a realistic occupational choice, reliable information is needed on which to base the decision. To secure this information, a person must spend a lot of time determining the skills and knowledge required for entry; opportunities offered by various occupations; and personal abilities, aptitudes, interests, and characteristics.

Most everyone has certain emotional needs, such as intellectual stimulation, large financial returns, prestige of an important position, opportunity for the exertion of leadership, esteem of influential people, power, and fame, which a well-chosen occupation will satisfy. Students should be reminded, however, that many occupations providing the emotional needs are very competitive, and often constant pressure is exerted on the employee. It may be expedient for some individuals to select an occupation with less competition and pressure.

Other reasons on the importance of choosing an occupation are listed and discussed below:

1. The occupational choice may determine whether a person is employed, underemployed, or unemployed.

   Some occupations provide year-around employment, while others offer limited employment. The former offer job security and stability to the employee's family.

2. The choice of occupation may determine the people an employee associates with.

   Companionship and friendship are basic needs. An occupation provides greater satisfaction if the employee can "identify" with other employees in both work and leisure activities.

3. The choice of an occupation may determine success or failure.

   Many factors such as ability, effort, and luck affect success. However, the ability to perform the tasks is of primary importance. People differ in both the nature and level of their abilities, and occupations differ in the abilities required for acceptable performance. Chance of success can be greatly increased by selecting an occupation that utilizes strengths and makes only minimal demands on weaknesses.

4. The occupational choice may determine whether a person likes or dislikes the work.

   Individual interests and abilities determine to a great degree whether the worker likes or dislikes a job. To have job satisfaction, an employee must enjoy performing most of the tasks required on the job. All occupations have some duties which are not enjoyable; however, a part of job satisfaction is recognizing this fact and expending as much effort performing these tasks as in those enjoyed.

5. The occupational choice may influence several aspects of life.

   The choice of an occupation may determine the area in which the employee lives, marriage partner, school children will attend, participation in social activities, salary, and physical and mental health.

6. The choice of an occupation determines an employee's contribution to society.

   While most occupations contribute directly or indirectly to society, the contribution for each is different. Mechanics maintain automobiles, farmers produce crops and livestock to feed the population, and medical doctors attend to the needs of the sick. Just as each of these occupations makes an important contribution, the extent of each is usually based on people's opinions.

Why People Work

People work for various reasons; but generally, the reasons may be classified as economic, social, and self fulfillment. More specific reasons are given below:

1. Livelihood - Employment provides the basic essentials of life - food, clothing, and shelter. Once these needs are met, other needs become important.

2. Human Relationships - People desire companionship and enjoy being with other people. Companionship is usually sought with those of similar interest. Group participation provides a person with a feeling of belonging.

3. Personal Development - Employment provides the opportunity for developing additional skills, acquiring knowledge, and reaching a person's potential.

4. Service - Performing a valuable service - doing something beneficial or useful for others - provides self satisfaction, self esteem, and instills confidence.

5. Financial Security - Worries of an insecure financial future are eliminated by full-time employment. In addition to a salary, employees often have security in the form of fringe benefits - insurance policies, retirement programs, and vacations.

6. Success - Success is often evaluated by the promotions (salary and/or position) an employee receives. Promotions are not the only measure of success. An employee that enjoys the work and likes the job is successful.

Importance of a High School Education

Referred to as "school dropouts," thousands of students each year in the United States quit school. Most of these students are capable of graduating from high school, but they have the erroneous idea that by quitting school many of their problems will be solved. Unfortunately, this usually increases the magnitude of their problems, as dropouts are most often the ones that are unemployed. If employed, they are the least likely to receive an advancement or promotion.

At one time, a high school education was not as important as it is today. Those entering the labor force today are required to have skills unheard of several decades ago. Also, technology is increasing at such a rapid rate that a good general education, as well as a technical education, is required. Very little opportunity is provided in today's labor market for the uneducated or unskilled.

Decisions to be Made in the Near Future

An important decision must be made shortly by high school students. This decision could affect their entire lives and is related to one of the following questions. Careful study and consideration should be given to each.

1. Should the student continue his/her education in a vocational-technical school, community college, or four-year college?

The Importance of Choosing a Career
(Information Sheet continued)

2. Should student seek employment immediately after completing high school?

3. Should student enter military after completing high school?

There is not a perfect decision as to a career choice, for conditions, technology, ideas, interest, and other factors change. A certain amount of risk is involved in any decision. A decision made while in high school should be considered as being tentative and not a final one. There is still time to make a change; that is, if the student is prepared with a good general education.

Outcome of Decision

Any decision should be made on the basis of what the outcome will be. If a decision is based on facts and sound reasoning, the outcome will probably be good. Important decisions also require time and a study of the alternatives. Regardless of the outcome or circumstances, a person must be prepared to adjust.

TOPIC: PERSONAL QUALITIES FOR THE WORLD OF WORK

OBJECTIVE: To encourage the student to study his/her individual strengths and weaknesses with regard to personal characteristics such as ability, talents, interests, physical make-up, educational aspirations, attitudes and values, personality, self-concept, willingness to change, and previous experiences, so that a more realistic occupational choice can be made.

REFERENCE: Information Sheet, "Personal Qualities for the World of Work"

STUDENT ACTIVITIES:

1. Consider the following statements before beginning this topic.

   It is predicted by those who study the employment scene that the average person will change the kind or type of work five times during his/her lifetime.

   Each career goal considered should be realistic, one that can be reached, and one that will give satisfaction after it is reached.

   Since the average person will be changing the kind of work performed several times, students should learn all they can about themselves, especially concerning abilities, interests, attitudes and values, and personalities.
2. Read the information sheet before attempting the questions below, and making self-appraisals.
3. Complete the Personal Inventory Form attached to the information sheet.

SUGGESTED TEACHER ACTIVITIES

1. Discuss the questions with the class after the assignment has been completed.
2. Check to be sure all information is complete on each student's Personal Inventory Form.

QUESTIONS AND ANSWERS:

(Each student must assess the individual personal characteristics listed below.)

1. Abilities

2. Special talents possessed

3. Special interests

4. Physical make-up and handicaps

5. Attitudes and values

Personal Qualities for the World of Work
(Questions & Answers continued)

6. Self-concept (How one sees himself/herself)
7. Previous experiences
8. Educational plans for the future
9. Kind of personality (How others view you)
10. Willingness to accept change

Information Sheet
on
PERSONAL QUALITIES FOR THE WORLD OF WORK

Students should recognize that each person is a unique, distinct individual and represents one of a kind. Even identical twins are not completely identical. Class members differ from each other in ability, talents, interests, attitudes, and ambition.

Since there are differences in individual characteristics, all people are not capable of doing the same things, nor do they want to do the same things. Each person has strengths and weaknesses. Certain tasks can be performed (ability), while others cannot (limitations). Certain tasks are enjoyed (interest), while others are repulsive. Although each class member has certain skills and interests at the present time, these can be changed through training.

The purpose of this topic is to encourage students to determine their strengths, weaknesses, and other personal characteristics. In order to make a realistic occupational choice, students must make a personal analysis in relation to what they are, rather than what they think they are. In reality, very few young people really know themselves. This is also true for many adults.

Parents, teachers, friends, guidance counselors, and other interested people are often well meaning and possess knowledge and experiences that a student may not have, but the student must make the final decision on the choice of an occupation based on the best knowledge available. Each career goal must be one that can be attained and one that will provide satisfaction after it is reached. Before establishing realistic career goals, a careful study should be made by the student of his/her personal characteristics. Serious consideration of the following personal qualities in a self-appraisal should provide a better understanding.

1. Ability - Ability is the capacity to perform. A person has ability when a task can be performed skillfully. The ability may be due to training or a natural talent. Grades received in school may be an indication of ability in a particular subject matter area; that is, if an adequate amount of effort is expended. Some people seem to have ability in all subject matter areas, while others may be weak in one or more subjects. Most students recognize that they perform better in some areas. However, a self-appraisal will confirm strengths, weaknesses, and abilities or lack of them. A number of schools have testing programs which measure ability in a number of areas.

2. Talent - A talent may be defined as something that a person does well. Very little effort is required by some people to learn certain things. It is said that these people have an aptitude for these things. For example, most students will know someone who can play a musical instrument very well with little or no instructions, while others develop little ability with years of study.

A person possessing a special talent is fortunate. Often people select an occupation based on their talents. If the self-appraisal indicates a special talent(s), the student should consider how the talent(s) can relate to an occupation. Hobbies are often a source of talent and should not be overlooked in the self-appraisal. The following questions may be useful in helping students recognize their talents:

Do you write well?
Do you type well?
Are you a good speaker?
Do you sketch or draw well?
Do you play musical instruments or sing well?
Are you mechanically inclined?
Can you perform physical feats well?
Do you work well with other people?
Do you have a scientific and inquisitive mind?

3. Interest - Most people do best those things in which they are interested. A part of getting to know and understand one's self is to take an inventory of interest. This can be accomplished informally by considering the things which are liked best. Those activities which are performed well, excite a person, or in which there is a comfortable feeling are often the most interesting. The following questions may be helpful in determining interest:

What are my favorite classes in school?
How is my spare time spent?
What activities and clubs have I participated in?
What social activities do I participate in outside of school (church, youth organizations, etc.)?
Am I more interested in working with people or things?

The taking of an interest inventory test will also assist in determining interest. Once interests have been determined, the student will need to determine if they are permanent, lasting ones. Interests may be used as a basis for making a career choice, but students should be made aware that interests change. An appealing occupation at present may lose its appeal in later life.

4. Physical Make-up - Different occupations make different demands on health, strength, and stamina. People having physical or health problems should choose careers that are in keeping with their physical limitations. Making adjustments of their physical limitations, many handicapped persons lead very productive, useful lives.

5. Educational Aspirations - Preparation is the key to success in an occupation. An employer "buys" the employee's knowledge and/or skill. To become employable,

education, knowledge, and skills are needed. Much of the success in an occupation is based on competencies in a specific or related field of education or training.

Plans for securing the needed education for an occupation should be included in the choice of a career. It is foolhardy to choose an occupation in which educational preparations have not been made. This would be similar to wanting to become a medical doctor without attending medical school, or to become a mechanic without training.

6. Attitudes and Values - Attitude is the most important of all personal traits. Attitude and ego are closely related, and attitude is reflected in the way others are treated, the acceptance of responsibilities, and perspective taken when faced with a problem. Attitude is a mental process which affects the way an employee views his/her job and the employer, and accepts supervision. An employee with a negative attitude looks for things that are unpleasant, wonders why conditions are not better; and once something is determined to be wrong, complains loudly about it. This type of individual acquires the reputation of being a complainer and is shunned by most well-meaning people and other employees. The opposite type of an individual is a positive person who spends little time dwelling on the unpleasant aspects of an occupation or working conditions, and looks for the favorable aspects. Once an employee is no longer positive about his/her career, the chances for success diminish.

   Values are those things that are important to an individual personally. Values of parents, teachers, and friends are imposed on young people. While some of these values will be retained, others will be rejected. Emphasis on values change throughout life. An object of value today may be of little value later in life. However, present values will have an influence on career plans. The following questions may be used as they relate to attitudes and values for the self-appraisal:

   1. Does my choice of an occupation agree with my attitudes and values?
   2. Can my attitudes and values be expressed on the job?
   3. Will the people I work with have similar attitudes and values?

   If the answers to these questions are "yes," then it would appear that the choice of an occupation agrees with a person's value system. If the occupation and value system are not in agreement, either an adjustment must be made in the value system, or another occupation must be selected.

7. Personality - Personality is a set of habits which a person develops in reacting to people and situations. It is through personality that one shows others what kind of a person he/she is. Since personality determines to a great extent the opinions of others, it is necessary for students to appraise themselves in terms of how they

appear to others. The students might consider the impression that other people may have of them in the following personality traits:

1. Attitude
2. Courtesy
3. Enthusiasm
4. Friendliness
5. Honesty
6. Initiative
7. Loyalty
8. Morality
9. Self-control
10. Sense of humor

8. Self-concept - Self-concept is the way a person sees himself/herself. A self-appraisal should include a person's self-concept in relation to people and surroundings. In choosing an occupation, selection should include a satisfying self-concept.

9. Willingness to Change - It is very important that a prospective employee be flexible and willing to change, as situations will be encountered that require certain adjustments. Successful work experience may depend upon the ability of the employee to accept constructive criticism and the willingness to make the proper adjustments.

10. Previous Experience - Previous work experience should be appraised to determine the types of work that have provided the most success. Work experience may increase and assist in developing new interest. Also, knowledge and skill which will be helpful in the future will be acquired. Previous work experience is one of the best indicators of success in a career. Satisfying part-time experience often leads to satisfying full-time positions.

After reviewing their personal qualities which were discussed above and completing the Personal Inventory Form, the students should have more knowledge about themselves. As the questions are reviewed at the beginning of the topic, the students are asked to look at themselves objectively and try to determine what makes them the people they are. Once students see themselves as they are, then they should be able to consider occupations that are suited for these types of individuals.

PERSONAL INVENTORY FORM

Personal Data:

Name ______________________ Social Security Number ____________

Address ______________________ Phone Number ____________

Age ________ Sex ________ Height ________ Weight ________ Birth Date ________

Name of Father ______________________ Occupation ____________

Name of Mother ______________________ Occupation ____________

Do you live at home? ________ If not, where? ________ Are you married? ________

Church Preference ______________________ Military Status ____________

Educational Background:

High School Attended ______________________ Grade Now ____________

Rank in Class ______________________ List school subjects that
(Above average, Average, Below average)

you have completed: ______________________

____

____

What subjects did you enjoy most? ______________________

____________ Least? ______________________

List school activity participation by years: ______________________

____

List school clubs and offices held: ______________________

____

How many years of vocational agriculture have you taken? ____________

What other classes would be helpful for preparation for employment? ____________

____

List specialized training received in school: ______________________

Numbers of days absent from school or work? ______________________

Work Experience:

List the names of all previous employers, the length of time worked for each, and the reason for leaving: ______________________

____

____

Health:

List any serious illness or operation that you have had: ______________________

____

Are you physically handicapped? ________ Explain: ______________________

____________ Were you ever injured while working? ____________ Explain:

____

Name of family physician: ______________________

Person to notify in case of emergency: ______________________

Hobbies and Recreation:

List hobbies or recreational activities that you enjoy: ______________________

____

References:

List the names & addresses of three people whom you might use as a reference. Do not include relatives. (Use teachers, ministers, employers.)

______________ ______________________________

______________ ______________________________

______________ ______________________________

Other Information:

What do you think are your qualifications for becoming employed? ______________

____

What are your ambitions? ______________________

____

____

TOPIC: DETERMINING INTERESTS

OBJECTIVE: To assist the student in securing information about himself/herself that should be considered in selecting an occupation.

REFERENCE: Information Sheet, "Determining Interests"

STUDENT ACTIVITIES:

1. Arrange with counselor for students to take one of the interest inventories such as the Kuder Interest Inventory.
2. Study the information sheet and discuss interests in class.

SUGGESTED TEACHER ACTIVITIES:

1. Make arrangements through the school counselor to give each student some form of vocational interest inventory.
2. Counsel with students individually using the test results obtained from the vocational interest inventory.

QUESTIONS AND ANSWERS:

1. Complete the interest inventory to help identify interests.

2. Why are interests important to success?
   A knowledge of interests will be very important in selecting an occupation, as different jobs require different conbinations of interests.

3. How are interests classified, and what would be at least one occupation that would fit under each classification?
   Outdoor—Farmers, ranchers, foresters
   Mechanical—Automobile repairmen, engineers, equipment operators
   Computational—Accountants, appraisers, credit agency employees
   Scientific—Chemists, doctors, veterinarians, researchers
   Persuasive—Salesmen, radio-T.V. announcers, public relations workers
   Literary—Journalists, news reporters
   Social-service—Counselors, teachers, extension workers

Information Sheet
on
DETERMINING INTEREST

An individual's interest is very important in selecting an occupation and should be examined by each student. As most students are aware, Vocational Agriculture is not a required course for graduation from high school. Enrollment in this course is due to the students' interest in some aspect of agriculture. The best means of determining interests is to take an interest inventory test; however, the students may determine to some degree their broad, general interest by considering the areas discussed below:

1. Outdoor Interest - An interest in this area means that a person prefers to work outside most of the time. Most agricultural employees rate high in outdoor interest.

2. Mechanical Interest - Those having an interest in this area enjoy working with machines and tools. A large number of people are employed as mechanical employees in the agricultural industry. Occupations such as tractor mechanics, farm machinery repairers, welders, and agricultural engineers are included.

3. Computational Interest - People with this interest enjoy working with numerals. Agricultural engineers, farm business managers, and credit agency employees are some of the occupations requiring a computational interest.

4. Scientific Interest - The discovery of new facts and problem solving intrigues people with this interest. A large number of people are hired to conduct research with feeds, seeds, and fertilizers, as well as in nonagricultural fields.

5. Persuasive Interest - People having this type of interest should work and deal with other people. Selling requires someone who has a persuasive interest. Numerous people are employed in agricultural sales.

6. Literary or Journalistic Interest - Reading and writing are included in this interest. Newspapers and radio and television stations offer occupations for those having this interest.

7. Social-Service Interest - This indicates an interest in helping other people. Those employed as social workers, counselors, teachers, and extension workers usually rank high in this interest.

Students should be aware that there is a considerable variation in interest level from area to area, and that different occupations require different combinations of interests. Students should be requested to complete the interest inventory shown on back. Questions should be answered honestly and on a separate sheet(s) of paper.

INTEREST INVENTORY

A. Of all the subjects studied in school, list the three liked best:
1.____________ 2.____________ 3.____________

B. List three subjects liked the least:
1.____________ 2.____________ 3.____________

C. List the three subjects in which the best grades were made:
1.____________ 2.____________ 3.____________

D. List the three subjects in which the poorest grades were made:
1.____________ 2.____________ 3.____________

E. List three activities outside of class work liked best:
1.____________ 2.____________ 3.____________

F. List three employment experiences that have the greatest interest:
1.____________ 2.____________ 3.____________

G. List activities participated in for amusement: ____________
____________.

H. List hobbies: ____________
____________.

I. List hobbies, amusements, jobs, and studies that are of particular interest, but have not had a chance to try: ____________
____________.

J. List the things done best of all things done: ____________
____________.

K. List skills performed in which compliments have been received and things in which it has been said that a talent is possessed: ____________
____________.

L. Were the compliment and statements valid? ____________
____________.

M. Have aptitude tests, grades, or achievement tests indicated an area of above average performance? ____________.

N. List physical limitations that might restrict a choice of occupations: ____________
____________. Explain: ____________.

O. Does student get along well with other people? ____________.

TOPIC: OCCUPATIONAL REQUIREMENTS

OBJECTIVE: To acquaint the student with background knowledge and procedures for obtaining specific information about various occupational requirements and how personal qualifications largely determine the possibility of gaining entrance into the occupation.

REFERENCE: Information Sheet, "Occupational Requirements"

STUDENT ACTIVITIES:

1. After students read the information sheet and answer the questions, have them complete the "Occupational Requirements" form with information secured from their training stations.
2. Review occupational information available from occupational brochures, trade and professional journals, catalogs, and booklets published by educational institutions and commercial organizations.

SUGGESTED TEACHER ACTIVITIES:

1. Make available to the students and/or refer them to reliable sources for securing:
    a. Occupational brochures
    b. Articles about occupations in well-known magazines
    c. Articles in journals published by trade associations and by professional organizations
    d. Catalogs and other booklets published by educational institutions and trade and commercial organizations
2. Discuss with the class the "Occupational Requirements" form, and then counsel with individual students about their choices of occupations or places of employment.

QUESTIONS AND ANSWERS:

1. What is a good source of information on business trends and demands for employees?

   The best source for securing information on business trends, current and future demands for employees, and probable wages and salaries may be obtained at a local office of the State Employment Service.

   Surveys which have been made of businesses in your community may also furnish information about local employment opportunities.

2. Which is the most desirable, trends and occupational outlooks on a community basis or state level? Why?
   It is generally more desirable to know the employment trends and outlooks on an area or state level rather than on a community basis, because local information may often be misleading and may not provide a true image of total employment opportunities.

Occupational Requirements
(Questions & Answers continued)

3. What are some of the methods by which employees gain entrance to employment?
   a. Some employees are hired directly by employers.
   b. Some employees are hired through employment agencies.
   c. Some employees are approved by unions.

4. What are some employee personal qualities that may determine advancement opportunity in a business?
   a. Interest in the work
   b. Willingness to learn
   c. Ability to get along with other employees
   d. Ability to lead others
   e. Willingness to accept responsibility

Information Sheet
on
OCCUPATIONAL REQUIREMENTS

Occupations, like people, have many varied characteristics. Appealing occupations should be investigated thoroughly in terms of specific characteristics, what they have to offer, and what may be offered the occupation. In order to make a wise and intelligent occupational choice, it is necessary to learn as much as possible about the occupation. Without all the facts, a detailed plan for meeting entry requirements cannot be developed. The following discussion should be helpful in evaluating various occupational requirements.

1. Employment Outlook - Business trends that might affect future employment, current and future demand for employees in the occupation, and beginning salary and experienced employees' salaries should be determined. Information on business trends, current and future demands for employees, and salaries can be obtained at a local office of the State Employment Service. This is the best source because it receives monthly reports on the items mentioned from the U.S. Department of labor.

   Another means of securing this type of information is to talk to people presently employed in the occupation. However, local information is often misleading and may not provide a true image of the state and national employment opportunities.

2. Nature of Work - When considering possible career choices, it is wise to become familiar with the nature of the work. A knowledge of the work to be performed is useful in comparing one occupation with another as the choices are reduced. The following questions are examples of the kinds of information that will be needed:
   a. What work is performed?
      (1) What physical activities are performed?
      (2) What tools and equipment are used?
      (3) Is travel involved?
      (4) What are the responsibilities of the work?
   b. What are the working conditions?
      (1) In what kind of environment is the work performed?
      (2) Are employees exposed to hazardous or unpleasant working conditions?
      (3) Is work performed with others or alone?
      (4) Is work supervised or does the employee provide the supervision?
   c. What are the working hours?
      (1) Are there regular or irregular working hours?
      (2) Does the occupation involve shift work?

3. Qualifications - These are very important and have a tremendous influence on the possibility of becoming employed in an occupation. Qualifications must be determined before a career decision is made. Answers to the following questions will provide much of the information needed in this area:

Occupational Requirements
(Information Sheet continued)

a. What special aptitudes and interests are needed to qualify for entry into the occupation?
b. What level of education, training, and experience are needed?
c. What are the physical demands of the occupation?
d. What personality characteristics are required?

4. Entrance and Advancement - The occupational choice will probably determine where to seek employment. After determining the location of jobs, the methods of entering and advancing in the occupation are determined. Some employers hire their employees, while others are hired through employment agencies. Still others must have the approval of a union before being hired. A knowledge of the hiring procedures is important in seeking employment.

Some jobs in an occupation are referred to as being "dead-end," very limited opportunities for advancements, while others are open-ended and provide numerous advancements. Advancements normally depend on such factors as size and type of business and personal qualities of the employee. Personal qualities include interest in the work, willingness to learn, ability to work with other employees, and ability to lead others. Most occupations provide advancement opportunities in the form of higher pay after the employee demonstrates that a greater number of tasks can be performed and more responsibilities can be accepted.

OCCUPATIONAL REQUIREMENTS

I. Place of employment ______________________________

II. Nature of the work:

A. What are the activities, duties, and responsibilities of the worker in this occupation?

B. Do these activities involve dealing primarily with people, things or ideas? Explain.

III. What special mental abilities are required in the occupation?

A. Language skills

B. Writing skills

C. Mathematical skills

IV. A. What are the educational and training requirements for entry into this career?

B. Where can these requirements be met?

C. What is the estimated cost of acquiring this education and/or training?

V. Entrance into the occupation:
A. What kind of certificate or license is needed?
B. Is membership in a union or professional society required?

VI. Working conditions:
A. What are the hours of work?
B. Are the hours regular or irregular?
C. Is there any overtime?
D. Is the work done indoors or outdoors?
E. Is a great deal of travel involved?
F. Do employees have to assume a great amount of responsibility?
G. Does this job involve working with hands, with mind, or both?

VII. Demand and supply of workers:
A. What is the present need for workers in this career?
  1. Locally--
  2. In the state--
B. What is the outlook for the future?

Occupational Requirements
(Question Sheet continued)

C. Is there a large turnover of employees which provide new job opportunities ?

VIII. Income, promotion, and security:

A. What annual income may be expected? ______________ After 5 years? ______________

B. What are the possibilities for promotion ?

C. What degree of security does the occupation offer ?

D. What is the policy for paid vacations ?

E. What other fringe benefits are provided ?

TOPIC: PLANNING AN OCCUPATIONAL FUTURE AND CHOOSING A CAREER

OBJECTIVE: To assist the students in securing information on certain occupations within a career cluster.

REFERENCE: Information Sheet: "Planning an Occupational Future and Choosing a Career"

STUDENT ACTIVITIES:

1. Ask class members to list as many occupational clusters as possible in the field of agriculture.
2. Ask class members to list as many occupations as possible under each cluster.
3. Ask class members to list training, knowledge, and skills required for each occupation.
4. Each student should rank the occupations as to their choices in numerical order.
5. Ask students to use the procedure listed and discussed in information sheet on planning an occupational future for those occupational choices which they ranked 1st, 2nd., and 3rd. It would probably be easier if the students selected three occupations within an occupational cluster.

SUGGESTED TEACHER ACTIVITY:

It will, in all probability, be necessary for the teacher to assist students in securing information pertaining to the ranked occupations.

QUESTIONS AND ANSWERS:

1. What are the two most important factors in planning an occupational future and choosing a career?
A person's interest and aptitude.

2. Why do people's perceptions of certain occupational factors often change in time?
This is a thought question in which there are many reasons. Age, misconceptions, experience, and numerous other reasons could be listed.

3. What is an occupational cluster?
A group of occupations requiring similar skills and knowledge.

4. What is the reason given for so many people being unhappy in their occupations?
The principal reason is a lack of planning.

5. When should high school students begin the planning of an occupational future?
The best time is while in high school because many occupations require training and education beyond high school. Also, prerequisite courses are required before entering post high school training programs.

Planning an Occupational Future and Choosing a Career
(Questions and Answers continued)

6. List sources of occupational information.
   a. Vocational and academic counselors
   b. Trade publications
   c. Professional organizations
   d. State colleges and universities
   e. Technical school and community colleges
   f. Departments and agencies of U.S. government
   g. Local and state employment commission offices
   h. Interviews with people in occupation
   i. Career days sponsored by high schools, colleges, and universities

7. What is an occupational profile?
   A comparison of the requirements of an occupation with a person's qualifications, interest, abilities, and personality traits.

Information Sheet
on
PLANNING AN OCCUPATIONAL FUTURE AND CHOOSING A CAREER

It is assumed that prior to discussing this topic in class many of the students have determined their occupational interests and aptitudes and have a preference for an occupational cluster, a group of occupations requiring similar skills and knowledge. A person's interest and aptitude are the two most important factors in planning an occupational future and choosing a career, although numerous factors must be considered.

Students should be reminded that it is not uncommon for a person's perception of a factor, considered in making an occupational choice to change in time. For this reason, it is suggested that students research and study several occupations within a cluster. Another reason for using the cluster approach is that people often wish to change their occupation after having been employed for several years. Changing occupations within a cluster is much easier than changing to an unrelated occupation.

The student should not expect to make an occupational choice in one or two days. The planning of an occupational future and choosing a career is a continuous process evolving over a long period of time. Since an occupation requires so much of a person's life-time, students should be willing to expend the time and effort required to make the right choice.

According to valid, current research data, over 50 percent of those employed are not happy in their occupation. There are various reasons listed for being unhappy in their occupations, but the principal reason is a lack of planning. Most every class member knows someone that went into an occupation because their daddy or uncle was working in the occupation. This is not meant to imply that these people are unhappy in their employment, but it could indicate a lack of planning.

It may not be expedient at this time for high school students to make a choice of occupations, but they should start planning their occupational future. Students planning an occupational career requiring prerequisite courses for further training will need to be aware of these courses.

Planning an Occupational Future

A procedure that may be used in planning an occupational future is listed and discussed below:

1. Assemble as much information as possible about the occupational cluster in which there is an interest and aptitude. Sources of occupational information are as follows:
    a. Vocational and academic counselors, school officials, and teachers;
    b. Trade publications (These are usually available in school and city libraries.);

Planning an Occupational Future and Choosing a Career
(Information Sheet continued)

c. Professional organizations (Most professional organizations are interested in attracting high quality people into the field represented by them. These organizations distribute free materials which explain the different occupations within a field);
d. State colleges and universities (Most departments in the larger colleges and universities distribute free literature on occupational opportunities for which one may receive training);
e. Technical school and community colleges (These may be private or state supported schools);
f. Departments and agencies within the U.S. government (The U.S.D.A., Department of Labor, and Department of Education are three departments making occupational materials available, and there are others);
g. Local and state employment commission offices;
h. Interviews with people in an occupation; and
i. Career days sponsored by high schools, colleges, and universities.

2. Determine occupational requirements for two or three occupations within a cluster. In determining the requirements, the student may wish to use the following outline:
Occupational requirements
A. Physical
B. Mental
  (1) Verbal skills
  (2) Mathematical skills
  (3) Mechanical comprehension and skills
C. Personality
  (1) Social
  (2) Persuasive
  (3) Attention to detail
  (4) Pressures
D. Education
  (1) Kind
    (a) Professional
    (b) Technical
  (2) Level
    (a) High school
    (b) Technical school
    (c) College - Degree (bachelor's, master's, doctoral)
  (3) Apprenticeship or internship
  (4) Inservice training
  (5) Cost of training
E. Occupation entry
  (1) License
  (2) State examiniation (conducted by whom)

Planning an Occupational Future and Choosing a Career
(Information Sheet continued)

    (3) Union membership
    (4) Professional society membership
    (5) Procedure used to get job
  F. Occupational restrictions
    (1) Weight
    (2) Height
    (3) Age
    (4) Appearance (physique, dress, attractiveness, etc.)
    (5) Health
  G. Occupation working conditions
    (1) Hours of work
      (a) Regular
      (b) Irregular
      (c) Overtime requirements
    (2) Indoors, outdoors, or both
    (3) Sitting, standing, walking, or all three
    (4) Travel required
    (5) Dress
    (6) Location of work (part of town)
    (7) Resident moves required
    (8) Production expected

3. Present and future supply and demand for occupations
  A. Supply
    (1) Number employed
    (2) Number available for employment
    (3) Location of present supply
  B. Demand
    (1) Present
    (2) Future
    (3) Location of demand
  C. Employment turnover

4. Occupational benefits
  A. Monetary
    (1) Base salary (monthly, biweekly, weekly)
    (2) Overtime salary
  B. Fringe benefits
    (1) Vacation
    (2) Sick leave
    (3) Retirement
    (4) Insurance (hospitalization, life)
  C. Promotions
    (1) Average time required

Planning an Occupational Future and Choosing a Career
(Information Sheet continued)

(2) Kinds (increased responsibilities, salary, or both)
(3) Procedure for obtaining

The above is not an all inclusive list of the factors that should be considered, and the class should be asked to list others.

After securing the above information on two or three occupations within a cluster, the next step is to have the students make a comparison of the occupational requirements with their interests, abilities, and personality traits. This may be accomplished by developing a profile. A profile is a list of the occupational requirements and the student's qualifications, interests, abilities and personality traits.

After completing the profile, the students should be in a better position to make a career choice.

TOPIC: THE AGRICULTURAL WORLD OF WORK

OBJECTIVE: To acquaint the student with the importance of agriculture in the state and employment opportunities that may be available to persons with an agricultural background.

REFERENCE: Information Sheet, "The Agricultural World of Work"

STUDENT ACTIVITY:

Study the information sheet and then try to assess the importance of agriculture in the county in which you live. You may contact the following for information: Texas Almanac, Texas Department of Agriculture, Texas Employment Commission, Texas Agricultural Extension Service, vocational agriculture teacher.

SUGGESTED TEACHER ACTIVITIES:

1. Discuss with the class the importance of agriculture in the county in which you live, emphasizing the potential employment opportunities for students entering the agricultural employment market.
2. Provide all possible references including those mentioned in "Activities for the Students" to encourage additional study by the students.

QUESTIONS AND ANSWERS:

1. What percent of the nation's work force is employed in agricultural or agricultural related occupations?
   Approximately 4.4 million persons are actively engaged in producing food and fiber, while another 14 to 17 million are engaged in processing, transporting, storing, and selling agricultural products and/or providing services and supplies to farmers. These workers combined represent about 40% of the total work force of the nation.

2. What has been the general trend in the last 20 years regarding the number and size of farms in America?
   The number of farms has decreased, but the size of farms has become larger and more productive. Today the average farmer can produce enough food for himself and 52 other people.

3. What was the average size of farms in Texas in 1980?
   872 acres--average value per acre was $411.

4. What was the average value per farm based on farm land and buildings in Texas in 1980?
   The value of farm land and buildings per farm averaged in excess of $436,000.

5. How much annual income was added to the Texas economy from all phases of agriculture in 1979?
   Cash receipts from 1979 marketing of agricultural products totaled $9.36 billion.

6. In what primary areas will agricultural workers be needed in the future?
   a. Animal science
   b. Plant science
   c. Soil science
   d. Agricultural business management
   e. Processing and distributing of agricultural products
   f. Agricultural engineering
   g. Agricultural research
   h. Agricultural education

Information Sheet
on
THE AGRICULTURAL WORLD OF WORK

Students enrolling in a high school vocational agriculture course have the opportunities to explore the broad field of agriculture and to receive training which will prepare them for employment upon the completion of their education. Students having a farm background and the experience of working with plants and/or animals have an advantage because they have acquired skills which many employers are seeking.

THE IMPORTANCE OF AGRICULTURE IN THE WORLD OF WORK

America's agricultural industry is an important part of the world of work and is a vital segment of the nation's economy. It is the largest single industry in the United States with assets of $531 billion. This amounts to three-fifths of the capital assets of all manufacturing corporations in the U.S. The agricultural industry not only includes those producing agricultural commodities (farmers) but those who process and distribute agricultural products. The agricultural industry is also America's largest employer with 4.4 million employed in production and between 14 to 17 million employees engaged in processing, transporting, storing, and selling and/or providing services and supplies to farmers and processors. The total work force in the agricultural industry represents approximately 40 percent of the nation's total work force.

No other country today equals the American agricultural industry in its productivity, versatility, and ability to produce economically food and fiber. While thousands of tons of surplus agricultural products are produced annually in the U.S., other nations are not producing enough to feed their populations. The general trend in American agriculture is to become even more productive and to provide developing countries with needed agricultural products.

The U.S. would have an even greater deficit in the balance of payments (value of products exported compared to the value of products imported) if it were not for the export of agricultural commodities. Exports of agricultural commodities (grains, cotton, oil seeds, etc.) in 1979 were over $40 billion, and further increases are expected, as USDA statisticians are projecting export sales as high as $48 billion in 1981.

Although the number of farms in the U.S. has decreased in the last 20 years and continues to decrease annually, those farms remaining in production have become larger and more productive. About 10 percent of the farms in the U.S. produce about 90 percent of the commodities. Today's farmer produces enough food and fiber for himself/herself and some 52 other people. The decline in the number of workers in production agriculture has been offset by an increasing number of people engaged in off-farm occupations.

THE IMPORTANCE OF AGRICULTURE IN TEXAS

Texas leads the nation in the number of farms and number of acres devoted to farming. In 1979, there were 159,000 farms with a total of 138.7 million acres devoted to the production of crops and livestock. The average size of farms in 1979 was 872 acres with a per acre average value of $411. Value of land and buildings for the average farm exceeds $436,000. Texas ranks second nationally in value of agricultural products, and ranks first in the production of cattle, sheep and lambs, goats, wool, mohair, pecans, peanuts, and grain sorghum.

More than $9.8 billion are added annually to the Texas economy by farmers and ranchers. Crops add more than $3.8 billion, while livestock accounts for over $6.0 billion. Still a greater amount would be represented by the many Texans engaged in off-farm enterprises.

Future agricultural industry employees will need competencies in one or more of the primary areas of plant science, soil science, animal science, agricultural business management, and agricultural mechanization. Additional workers will be required to produce and distribute agricultural products; agricultural scientists will be needed to develop new breeds of plants and improve livestock; design engineers will be required to develop better machinery; chemists will be in demand to develop new chemicals; more marketing and processing specialists will be needed; and qualified high school and university instructors will be in demand to prepare students for their future careers in agriculture.

TOPIC: OPPORTUNITIES IN AGRICULTURAL OCCUPATIONS

OBJECTIVE: To introduce the students to the various categories of agricultural occupations and to acquaint them with the job opportunities and general requirements for entry within each of the areas.

REFERENCE: Information Sheet, "Opportunities in Agricultural Occupations"

STUDENT ACTIVITIES:

1. Students should review "The Handbook of Agricultural Occupations" and/or "Dictionary of Occupational Titles" to gain additional information on areas of special interest.
2. Students should secure occupational brochures from guidance counselor about specific agricultural occupations in which they would like to become better informed.

SUGGESTED TEACHER ACTIVITIES:

1. Discuss with the class the various agricultural occupations that exist in the locality and the requirements necessary to qualify for entry.
2. Point out the occupational areas that qualify for student training in the Agriculture Cooperative Training Program.
3. Counsel with individual students concerning their interests in specific agricultural occupational areas.

QUESTIONS AND ANSWERS:

1. What are the three broad categories under which the information sheet places various agricultural occupations?
   a. Occupations in agricultural production
   b. Non-professional off-farm agricultural occupations
   c. Professional agricultural occupations

2. What are some ways in which students might work in production agriculture?
   a. Farm or ranch owner
   b. Manager
   c. Tenant farmer
   d. Hired worker
   e. Custom or farm service worker

3. List the occupational categories under which non-professional off-farm agricultural occupations were grouped.
   a. Service
   b. Supplies
   c. Mechanics
   d. Products--livestock, fruit, vegetables, grains, others
   e. Occupations in ornamental horticulture
   f. Agricultural resources--conservation, wildlife, and recreation
   g. Forestry

4. What qualification will generally be required for entry into one of the professional agricultural occupations?
   A college degree is desirable if not actually required.

5. Under which of the three broad categories (agricultural production, non-professional off-farm, or professional) would you place the following agricultural occupations:
   Feed salesman--non-professional off-farm
   Ranch manager--agricultural production
   County agent--professional
   Tractor operator--agricultural production
   Fertilizer spreader--agricultural production
   Farm owner-operator--agricultural production
   Vocational agriculture teacher--professional
   Animal groom--agricultural production
   Auctioneer--non-professional off-farm
   Farm machinery repairman--non-professional off-farm
   Greenhouse worker--non-professional off-farm
   SCS office manager--professional

Information Sheet
on
OPPORTUNITIES IN AGRICULTURAL OCCUPATIONS

There are many rewarding employment opportunities in agriculture for those having an interest and desire to work in some phase of the industry. One should be reminded that while exploring the occupations available it is important to consider farming and ranching, as well as the many allied businesses which provide the many services and supplies used by the industry.

A consideration of the occupational opportunities below should be helpful:

1. Occupations in Production Agriculture - Production agriculture is the producing of food and fiber, and includes all types of work on farms and ranches. There are several ways in which to work in production agriculture: as a farm and ranch owner, as a manager, as a tenant farmer or rancher, as a hired worker, and as a custom or farm service worker.

   Farm or ranch ownership encompasses a large number of occupations depending upon the type of operation and the product being produced. Many young people acquire ownership of farms and ranches through a father-child partnership agreement where the child eventually acquires full ownership.

   Some of the more common types of farmers are listed below:
   Cattle farmer or rancher
   Cotton farmer
   Dairy farmer
   Fruit farmer
   Grain farmer
   Horse breeder
   Poultry farmer
   Sheep farmer or rancher
   Swine farmer
   Tree farmer
   Truck farmer
   Crop or livestock specialty farmer

   Some farm operators become established in production agriculture as tenant farmers. They rent or lease land for a number of years. Eventually many tenant farmers become land owners; however, most also continue to lease land.

   A large number of land owners (absentee owners, resident owners, and corporate farms) hire managers. Normally experience and/or a college education is required for a managerial position. Some good farm managers have started as hired workers and advanced to a managerial position after acquiring the necessary knowledge.

   Some supervisory and management positions are as follows:
   Cattleman
   Dairyman
   Farm manager
   Feedlot manager
   Greenhouse manager
   Hatchery manager
   Ranch manager
   Swine herdsman

On-farm employment can be at several different levels and may range from general to specialized work depending on the kind of farming and the area. On a small farm, an individual is more likely to work at a variety of jobs; whereas, on a large specialized farm a worker is likely to perform only a few jobs.

A few of the more common types of farm hand occupations include:
Crop farm hand
Dairy farm hand
General farm hand
Hatchery farm hand
Livestock farm hand
Poultry farm hand

Other occupations requiring specialized skills include:
Animal groom
Cattle herdsman
Farm equipment operator
Field supervisor
Horseshoer or farrier
Horse trainer

Farm custom work comes in many and varied services that are performed by the custom operator. Many custom jobs are seasonal, and long hours are common, particularly where farm equipment such as tractors and implements such as hay balers, combiners, corn pickers, cotton strippers, and sprayers or dusters are used. Custom work sometimes fits well with small farm businesses or part-time farm operations and may supplement the income of those engaged in other work. It sometimes leads to establishment in farming.

Examples of custom workers are as follows:
Auctioneer
Crop duster
Custom machine operator
Farm equipment operator
Feed mill operator
Fertilizer spreader
Tree planter
Sheep shearer

2. Non-Professional Off-Farm Agricultural Occupations - These occupations normally require less than a college education and are found in businesses related to agriculture. Experience working in the business, courses in vocational agriculture, and technical school training are helpful in entering an occupation in this area.

Broad categories of off-farm agricultural occupations are listed below:
a. Service
b. Supplies
c. Mechanics
d. Products - livestock, fruit, vegetables, grains, others
e. Horticulture - greenhouse and nursery
f. Agricultural resources - conservation, wildlife, and recreation
g. Forestry

Within each of these broad families of occupations, the following level of employment may exist:

managerial
professional
technical
sales
clerical
services

3. Professional Agricultural Occupations - Occupations in this area include primarily those positions for which a college degree is required and may reflect a cross-section of all categories of the agricultural industry. These occupations are difficult to classify. Some of the professional occupations are as follows:

Agricultural engineering
Agronomy
Horticulture
Forestry
Agricultural education
Animal science
Entomology
Agricultural economics
Agricultural chemicals
Rural sociology

There are many opportunities for students to enter professional agricultural occupations. The land grant colleges in the United States have some 7,000 students majoring in some phase of agriculture to graduate each year. There are approximately three jobs for each graduate.

TOPIC: PART-TIME JOB

OBJECTIVE: To encourage the students to select specific occupational choices suitable to their interests and qualifications and to formulate a plan of action for achieving career goals.

REFERENCE: Information Sheet, "Part-Time Job"

STUDENT ACTIVITIES:

1. After the students have completed the self-appraisal and determined their interest and occupational choice, they should reduce their career choices to three each.
2. After studying the information sheet, students should develop a plan of action which will enable them to progress toward their career goals.

SUGGESTED TEACHER ACTIVITIES:

1. Discuss the questions with the class and encourage each student to make a realistic career choice.
2. Counsel with individual students about their selection of careers and assist them in formulating a plan of action for achieving their career goals.

QUESTIONS AND ANSWERS:

1. In what way might an early career choice be of value to a student?
   It can possibly give meaning and direction to the student's high school studies.

2. List the logical steps that one might follow in planning a career.
   a. Narrow the field to several choices.
   b. Acquire the facts.
   c. Review and study facts.
   d. Match interests, skills, and knowledge with the facts.
   e. Plan alternatives.
   f. Prepare a plan of action.

3. Why should every person make at least a tentative choice of an occupation?
   Making a tentative choice is the starting point for planning a career. It enables a person to gain information and insight about the requirements for entry in the occupation.

4. In what ways might educational planning become part of a plan of action for entry into an occupation?
   Educational planning may include arranging for special courses in high school, obtaining part-time work experience while in high school, and planning for additional education beyond high school.

Part-Time Job
(Questions & Answers continued)

5. What course of action might students take if their first choice of an occupation does not materialize?
Consider alternate occupations that might enter if the first choice does not work out. Determine the occupations that are related to the choice and be prepared to enter one of them.

6. What are some of the benefits derived from working at a part-time job while still in school?
   a. Allows the exploring of occupations in which one is interested and determines suitability for them.
   b. A better understanding of working conditions and environment are gained.
   c. "First hand" experience of occupational requirements, aptitudes, and personality needed for success are determined.
   d. If successful, job experience and a valuable recommendation is obtained.

7. With whom should the final decision of job selection rest?
The final decision should be a personal decision made by the individual.

Information Sheet
on
PART-TIME JOB

After having obtained a broad understanding of occupational areas and job opportunities and attempting to develop a better understanding of their qualifications and interests, coop students are ready to take the next step. This is the important task of deciding on a particular job that matches their abilities, interests, personality, and other factors. Teachers, counselors, parents, and other individuals can help the students in making their decisions; however, the final decision is a personal choice that can only be made by the person involved.

Some people make a career choice at an early age, but all people do not reach this decision at the same age. An early career choice perhaps is no better than one made later in life, but it can provide meaning and direction to the selection of a student's high school courses. If goals are established, plans can be developed to attain them. There is not a definite pattern to follow in planning a career, but there are some logical steps that can be taken.

STEPS IN PLANNING A CAREER

1. Narrow the field to several choices.

   After determining the general area of occupational interest by a self-appraisal, the student should review the occupational information in that area. The first choice should be considered to be tentative and subject to change. This, however, will establish a starting point for planning a career. It is better to have a tentative choice with an established goal while in high school than no choice at all.

2. Acquire the facts.

   While occupational information is being secured, the employment outlook, nature of the work, qualifications, entry procedures, and method of advancing should be determined. Information from all sources, including those presently employed in the occupation, should be sought.

3. Review and study the facts.

   Each occupation should be reviewed and studied, and the student should become familiar with all aspects. Errors in the occupational choice can usually be traced to inadequate information and a misunderstanding of the facts.

4. Match interest, skills, and knowledge with the facts.

   Students should compare the occupation requirements with what they have to offer. This should be a realistic comparison, and strengths as well as weaknesses are considered. Also, they should not overestimate or underestimate either the requirements or what they have to offer.

5. Plan alternatives.

An attempt is made to anticipate what the circumstances might be if the first choice does not materialize. Closely related occupations should be determined, and the students should prepare to enter one of them.

6. Prepare plan of action.

The plan of action may include special courses while in high school, obtaining part-time employment, and additional education beyond high school.

Some of the benefits of including part-time employment in the career goal plans are as follows:

a. It allows the exploration of an occupation and helps determine the person's suitability for the occupation.
b. It provides a better understanding of working conditions and environment.
c. It helps in determining occupational requirements, aptitudes, and personality needed for success.
d. If successful, job experience and a valuable recommendation are obtained.

TOPIC: FINDING A JOB

OBJECTIVE: To acquaint the students with the various avenues available for finding a job.

REFERENCE: Information Sheet, "Finding a Job"

STUDENT ACTIVITIES:

1. Ask students to survey all available sources to determine the job opportunities in their chosen occupational area and make a list of all job leads so that they will be able to follow up every possibility.
2. Rank job leads in the order of preference and secure as much information as is possible about the company before seeking an interview. Information which would prove valuable is:
   - (a) products and/or services of the company,
   - (b) size of the company, and
   - (c) whether or not the company is growing.

SUGGESTED TEACHER ACTIVITIES:

1. Provide the names of prospective places for employment to students who may not yet have jobs in the ACT Program.
2. Discuss the questions with class members and point out the available sources for learning about job opportunities that exist in the area.

QUESTIONS AND ANSWERS:

1. List five ways a person may find a job.
   - a. Suggestions from relatives and friends
   - b. Personal contacts
   - c. Newspapers
   - d. Letters of application
   - e. Contacts with former employers
   - f. Employment agencies

2. Which of the ways for finding employment is considered best? Explain why. (Individuals may select different ways. Give them an opportunity to discuss their choices in class.)

3. What problems may arise from employment by a relative or close friend? (class discussion)

4. What special skill is required in securing a job through personal contact? Skill in "selling yourself" is vital.

5. How might the newspaper be used in finding a job? Advertising in "help wanted" or answering "situation wanted" advertising may prove successful.

Finding a Job
(Questions & Answers continued)

6. What precautions should be exercised in writing a letter of application for a job?
   Much care should be given to expression, correct spelling, sentence structure, punctuation, and neatness when writing a letter of application.

7. How can previous service for an employer help a prospective employee obtain a job?
   If satisfactory service has been given as a part-time employee, the student will have an advantage over other prospects.

8. List four types of employment agencies.
   a. Local school counseling service
   b. Community employment organizations
   c. Private employment services
   d. State employment service

Information Sheet
on
FINDING A JOB

When a person decides to seek employment, the first consideration should be his/her qualifications and experiences. It might be helpful to make a list of qualifications and experiences. These should be related to the job which is to be sought. With a list, a person is aware of what he/she has to offer an employer and will be more competitive with other applicants.

A number of surveys and studies have been conducted to determine the best means of seeking employment. Some of these are discussed below. The job seeker should keep in mind that good judgement should be used regardless of the method used.

1. Suggestions from Relatives and Friends - About 50 percent of all jobs are secured through the helpful tips of relatives and friends. Many times jobs are filled by this method before the job opening is advertised or reported to an employment agency.

   The job seeker using this method should not expect influential aid from relatives and friends, nor should a misrepresentation of experiences, knowledge, skills, or other erroneous information be given a prospective employer. The employer loses respect and confidence in the relative or friend, as knowledge, skills, and other traits will be revealed once the employee begins to work.

2. Personal Contacts - Many hours can be spent by the job seeker knocking on office doors, walking to various employers' offices, and sitting in waiting rooms. When making personal contacts, it is important to remember that skill in "selling yourself" is necessary for success. This is the second most effective method of finding a job.

3. Newspapers - When answering a newspaper ad, either by letter, phone, or in person, the job seeker should remember that the sooner the contact is made, the better are his/her chances of obtaining the job. Another way to use the newspaper to find a job is to place a personal ad in the "situation wanted" section. When using this method, the job seeker should make sure that he can be easily contacted by a prospective employer.

4. Letters of Application - When writing a letter of application, the job seeker should take special care in writing the letter. This method can be effective in securing an interview if the letter is clean and neat, if the intent of the applicant is expressed clearly, and if correct spelling, sentence structure, and punctuation are used.

5. Contacts with Former Employers - If a person has worked, either part-time or as a full-time employee, he/she is familiar with the working conditions and the employer. Therefore, based on previous service to this employer, his/her chances for employment will usually be better than those of other applicants. This method is effective many times when no vacancy or job opportunity actually exists, but the employer makes a job available for the former employee.

6. Employment Agencies - The term "employment agency" is not restricted to the state employment service, but includes the local school counseling service, community employment organizations, and private employment services in the community. These agencies usually maintain trained placement personnel who may be of assistance to the job seeker.

TOPIC: WRITTEN APPLICATIONS

OBJECTIVE: To instruct the students in the proper procedures for writing letters of application, information to be included, and situations in which it is advisable to contact prospective employers by written application.

REFERENCE: Information Sheet, "Written Applications"

STUDENT ACTIVITIES:

1. Read and study the information sheet and accompanying forms.
2. Prepare a written letter of application for a job in the area of occupational choice. It may be in reply to a newspaper advertisement. Use the "Sample Letter of Application" as a guide.
3. After completing the letter of application, fill out the "Personal Data Sheet" in "Student Workbook."
4. Also complete the "Application for Occupational Experience," in the "Student Workbook."

SUGGESTED TEACHER ACTIVITIES:

1. Discuss the questions with class members after the above student activities have been completed.
2. Select students to read their written letters of application in class.
3. Check the students' "Personal Data Sheet" and "Application for Occupational Experience" forms.

QUESTIONS AND ANSWERS:

1. What additional insight of applicant's abilities might the employer gain through a letter of application?
   A written letter gives the employer an example of your handwriting and some insight into the applicant's ability to express himself/herself in writing.

2. In what situations might a letter of application be written?
   a. When applying for a business or professional position out-of-town
   b. When seeking an interview with business friends of your family
   c. When answering a newspaper advertisement that requests written applications by mail
   d. When a prospective employer requests a letter of application

3. In what way might additional information not included in the letter of application to the employer be supplied?
   Attach a "Personal Data Sheet."

4. Is it generally permissible to send a letter of application in pencil? No.

5. What general information might be included on a personal data sheet?
   The personal data sheet might include the following information:
   a. Physical stature and general health
   b. Courses taken in school
   c. Work experience
   d. Salable skills which can be performed
   e. Hobbies
   f. References

6. Is the letter of application generally written before or after the interview?
   Before the interview.

7. How many references should an applicant have available for use on the written applications?
   At least three references should have been contacted in advance and permission secured to use their names.

8. What are some of the things an applicant should have in mind when filling out an application blank?
   a. Follow instructions, checking to see if the form indicates whether it should be printed or written and if pencil or pen is to be used.
   b. Writing or printing should be neat and legible and the application should be free of a soiled appearance.
   c. If question cannot be answered, "not applicable" or N/A is written in.
   d. Each question is read carefully and the applicant should understand information requested before beginning to answer questions.
   e. Birthdates and other important dates, names and addresses of personal references and previous employers, educational and work experiences, information regarding health, and other pertinent information should be available when completing application form.

Information Sheet
on
WRITTEN APPLICATIONS

After securing information on job leads and the names of companies offering prospective employment, the applicant is ready to contact the employer personally, or with a written letter of application. An applicant is often requested to send a letter of application after making personal contact. The letter provides the prospective employer with a sample of the applicant's writing ability and provides insight as to his/her ability to express himself/herself in writing. There are times when a letter of application is necessary in order to secure an interview.

A letter of application should be written in the following situations:

1. When applying for a business or professional position out-of-town.
2. When seeking an interview with business friends of the family.
3. When answering a newspaper advertisement that requests written application by mail.
4. When a prospective employer requests a letter of application.

THE LETTER OF APPLICATION

A letter of application is a means of selling an applicant to a prospective employer. In order to be given an interview and to be considered for the job, the letter should give the employer a favorable impression. Applying the following suggestions when writing a letter of application should be helpful in getting the employer's attention.

1. Write to a specific person, not merely to a firm.
2. Spell all names correctly; call by telephone if necessary to verify spelling of names.
3. Be brief and original; come to the point quickly.
    a. Start letter by stating exactly what position or type of position being sought.
    b. Do not go into detail about ability or background. Enclose an outline of the details, or leave them for the interview which may follow later.
4. Type the letter or write neatly, never use pencil. Limit letter to one typewritten page; write short paragraphs.
5. Use a good standard size paper.
    a. Write only on one side, avoiding erasures.
    b. Do not use letterhead stationery unless it is the applicant's.
6. Use correct spelling and punctuation.
7. Have an effective closing paragraph.
    a. A statement should be included that the applicant will be glad to appear for an interview at the employer's convenience.
    b. Use business-like closing.

Written Applications
(Information Sheet continued)

PERSONAL DATA SHEET

A well written letter of application may be all that is necessary to get an interview; however, it may be an advantage to include some additional information on a personal data sheet. This is an accepted way of presenting information that is not in the letter of application. The personal data sheet might include information such as physical stature and general health, courses taken in school, work experience, skills which one can perform, hobbies, and character references.

WRITTEN APPLICATION FORMS

If the application is in person, instead of by mail, the applicant probably will be asked to fill out an application form. The usual practice is to submit the written application form before an interview is scheduled. A copy of the personal inventory will be very helpful in completing the application form. Also the applicant should have at least three character references who have been contacted in advance and from whom permission has been secured to use their names.

Written application forms will vary from business to business, but the information on the personal inventory form is always basic. Regardless of the type of form one is asked to submit, it will reveal information such as neatness and ability to complete the form, in addition to the information requested.

The following suggestions may be helpful in filling out application forms.

1. Instructions should be followed explicity. Some application forms indicate whether printing or writing should be used and the kind of writing instrument to use.
2. Writing or printing should be neat and legible. Messy erasures and a soiled appearance should be prevented.
3. All applicable questions on the form should be completed. If a question is not applicable, the words "not applicable" should be written in the space provided, or the abbreviation N/A may be used.
4. Questions should be read carefully and understood before attempting to answering them.
5. Important dates; names and addresses of references and previous employers; educational information; health information, and other information should be secured before completing application.

SAMPLE LETTER OF APPLICATION

__________________ High School
Vocational Agriculture Department

Box 100
Farmville, U. S. A.
September 20, 1980

Mr. John McAhee, Manager
Brown Farm Implement Company
340 Main Street
Farmville, U. S. A.

Dear Mr. McAhee:

Mr. Andrews, vocational agriculture teacher at Farmville High School, has informed me of a vacancy in the tractor and machinery parts department of your firm. I would like to submit my name for consideration for this position.

At present, I am a senior enrolled in the agricultural cooperative training program at Farmville High School and will be available for employment after 2:00 p. m. on school days and the entire day on Saturdays and during the summer.

I have lived and worked on a farm all my life. Last summer I worked in the parts division of the Farmville Tractor and Equipment Company. I have served as secretary of the local FFA Chapter, and scholastically, I rank in the upper fourth of my high school class.

I am interested in a career in agricultural machinery sales and recognize the value of being associated with a firm of your reputation. I would appreciate a personal interview with you at your earliest convenience so you may become better acquainted with my qualifications. I will be available for an interview after 2:00 p. m. on school days and any time on Saturdays.

I may be contacted at the above address or through Mr. Andrews at the high school. I am looking forward to your reply.

Sincerely,

John Jones

PERSONAL DATA SHEET

Personal

Name ____________________
Address ____________________ Phone ____________________
Age ____________________ Height ____________________ Weight ____________________
Health ____________________
____

Education

High School ____________________
Subjects ____________________
____
____

Organizations
Leadership Activities

Work Experience

Skills

Hobbies

References

APPLICATION FOR OCCUPATIONAL EXPERIENCE

(Personal Data)

Name ______ Soc. Sec. No. ______

Present Address ______ Home Phone No. ______

Date of Birth: Month ______ Day ______ Year ______ Age ______

Do you live with parents? ______ Relatives? ______

How many years have you lived on a farm? ______

How many years of vocational agriculture have you completed? ______

Who referred you for occupational experience? ______

List hobbies or recreational activities you enjoy: ______

What sports do you enjoy? ______

In what extracurricular activities do you participate? ______

(Education)

	Name of School	City	Dates From	Dates To	Graduate?
Elementary					
High School					
Other					

List each machine you can operate: ______

Have you learned a trade? ______ Kind: ______

How soon would you be available for work? ______

(Health)

Name of family physician ______ Your Height ______ Weight ______

What illnesses or operations have you had in recent years? ______

Were you ever injured while working? ______ How many times? ______

Are you physically handicapped? ______ Describe: ______

Person to notify in case of emergency: ______

Relationship ______ Address ______ Phone No. ______

Signature ______ Date ______

This form is used by Texas Employment Commission

Describe your most important jobs (Including Military Service). Begin with the most recent.

11	TC 2	CC 82	COMPANY NAME		JOB SUMMARY—LIST PRINCIPAL DUTIES AND ASSIGNMENTS. TOOLS OR EQUIPMENT USED ETC.
JOB TITLE				DURATION (In Months)	
DATE JOB ENDED Mo. Yr.	SALARY Dollars Cents	PAY UNIT 1_Hour 4_Month 2_Day 5_Year 3_Week 6_Other	REASON FOR LEAVING 1_Layoff 4_Job Ended 2_Quit 5_Other 3_Fired	Fed 1	
21	TC 2	CC 82	COMPANY NAME		JOB SUMMARY—LIST PRINCIPAL DUTIES AND ASSIGNMENTS. TOOLS OR EQUIPMENT USED ETC.
JOB TITLE				DURATION (In Months)	
DATE JOB ENDED Mo. Yr.	SALARY Dollars Cents	PAY UNIT 1_Hour 4_Month 2_Day 5_Year 3_Week 6_Other	REASON FOR LEAVING 1_Layoff 4_Job Ended 2_Quit 5_Other 3_Fired	Fed 1	
31	TC 2	CC 82	COMPANY NAME		JOB SUMMARY—LIST PRINCIPAL DUTIES AND ASSIGNMENTS. TOOLS OR EQUIPMENT USED ETC.
JOB TITLE				DURATION (In Months)	
DATE JOB ENDED Mo. Yr.	SALARY Dollars Cents	PAY UNIT 1_Hour 4_Month 2_Day 5_Year 3_Week 6_Other	REASON FOR LEAVING 1_Layoff 4_Job Ended 2_Quit 5_Other 3_Fired	Fed 1	

APPLICANT—PLEASE PRINT

1. SOCIAL SECURITY NUMBER	2. MATCH STATUS 1 Match Reg. 3. Change/Correct 4. Renewal-ADS 5. Renewal-ADS and Match	3. SUMMER 1.__Yes 2.__No	4. TC 2	5. CC 80
6. NAME (Last, First, M.I.)				
11 2 81	7. ADDRESS			
City	State	Zip Code	County	
8. TELEPHONE NO. Area Code	Fed 1	9. SEX 1.__Male 2.__Female	10. BIRTH DATE MO. YR.	11. DATES OF MILITARY SERVICE Entered______ Released______
12. U.S. CITIZEN 1.__Yes 2.__No	13. FED USE	14. FAMILY INCOME (Last 12 Months) $ ______	15. FED USE	
16. IF NEEDED FOR WORK, DO YOU HAVE 1__Tools 2.__Auto 3.__Driver's License 4.__Chauffeur's License			17 WOULD YOU RELOCATE 1.__Yes 2.__No	
18. CIRCLE HIGHEST SCHOOL GRADE COMPLETED Grade School 0 1 2 3 4 5 6 7 8 High School 9 10 11 12 College 13 14 15 16 BA MA PhD 17 18 19	19a. FED USE		19b. FED USE	

20. LIST ANY SPECIAL SCHOOLING OR TRAINING YOU HAVE TAKEN INCLUDING MILITARY

Name of School	Course	Length	Date Ended	Degree

ES-511 (1081)

FOR OFFICE USE—DO NOT WRITE IN THIS SPACE

21. Mo. Exp.	22. OCCUPATIONAL TITLE 1.)	23. OCCUPATIONAL CODE	
	2.)		
	3.)		
24. CNTY	25. RACE/ETHNIC 1__W—NH 4__AI&AN 2__B—NH 5__Asian & Pac Is 3__HISP 6__INA	26. WIN FAMILY SIZE __0 Non-WIN __1 __3 __6 __9 or more __2 __4 __7 5 __8	35. REGISTRATION DATE Mo. Day Yr.
27. HDCP/DISABLED 0__No 1__Hdcp (Not Disabled Vet) 2__Disabled Vet 3__Special Disabled Vet	29. VET/OTHER ELIGIBLE 0__No 1__Spec. Vet 2__Oth. Viet. Vet 3__Oth. Vet 4__Eligible Person	30. FED. USE	43. DATES
31. ECON DISAD 1__Yes 2__No	32. WELFARE 0__No WIN 1__Mandatory 2__Voluntary 5__Unemployed Parent NON-WIN 3__Other Welfare	33. F.S. Work Reg. 0__No 1__Reg. Rcvd. (No Assessment) 2__Cat. I (Job Ready) 3__Cat II (Non Job Ready) 4__Cat III (Assessed) 5__Cat III (Not Assessed)	
34. SFW/MIGR. 0__No 1__Farm Worker 2__Migr. Farm Worker 3__Migr. Food Proc.	36. FED USE	37 Elig Claim 0__No 1__State 2__Other 3__EXTND BEN 4__	38. CETA Part. 0__No 1__CETA Title(s)____
39. LOFF	40. STA/DESK	41. STATE USE	42 FED USE 1
44. LOCAL USE			

DO NOT WRITE ON THIS SIDE OF FORM

69. SUMMARY OF OTHER WORK EXPERIENCE

70. CONDITIONS AFFECTING EMPLOYMENT

71. CASE NAME

WIN CASE NO

F. S. CASE NO

72. AGRICULTURAL WORKER INCOME STATEMENT

MORE THAN 50% OF INCOME WAS EARNED FROM FARMWORK DURING PRECEDING 12 MONTHS

YES NO DATE ____________

73. I CERTIFY THAT I SERVED IN THE ARMED FORCES OF THE U.S. DURING THE PERIOD IN ITEM 11. MILITARY SERVICE, ON THIS APPLICATION CARD AND WAS SEPARATED THEREFROM UNDER OTHER THAN DISHONORABLE CONDITIONS.

____________ (VER) ____________ (SIGNATURE)

74. TEST RESULTS

75. HANDICAP DESCRIPTION

76. HANDICAP EVALUATION

ENTITLED TO DISABILITY COMPENSATION RATING BY VA YES ☐ NO ☐ UNDER 30% ☐ 30% OR MORE ☐ AND/OR RELEASED FROM ACTIVE DUTY FOR A DISABILITY INCURRED OR AGGRAVATED IN THE LINE OF DUTY.

I CERTIFY THAT THE ABOVE STATEMENT IS CORRECT TO THE BEST OF MY KNOWLEDGE.

SIGNED ____________ WITNESS ____________

77. CNSL. DATE INITIALS

78. OCCUPATIONAL PREFERENCE

RECORD OF SERVICE

DATE		EMPLOYER, AGENCY OR TYPE OF SERVICE	JOB TITLE OR PURPOSE	ORDER NO.	REFERRAL ACTIVITY		
Called	Referred				Duration	Pay	Results

TOPIC: PREPARING FOR THE INTERVIEW

OBJECTIVE: To acquaint and familiarize the students with factors to consider when preparing for an interview and with questions which are often asked during the interview.

REFERENCE: Information Sheet, " Preparing for the Interview"

STUDENT ACTIVITIES:

1. Read the information sheet carefully and then answer the questions below.
2. Review the list of "questions often asked during the interview, " and attempt to give an accurate and specific answer for each question.

SUGGESTED TEACHER ACTIVITIES

1. Discuss the study questions with the class after students have completed the assignment.
2. Discuss the list of "questions often asked during the interview" with the class and explain the importance of giving careful consideration to these questions.

QUESTIONS AND ANSWERS:

1. List ways in which the student can prepare for an interview.
    a. Prepare a written, personal inventory.
    b. Gather information about the firm.
    c. Check personal appearance.

2. How is an interview similar to the selling of a product?
   The interviewee is selling a product--himself/herself.

3. Why is the interview so important to the applicant?
   The success or failure of the applicant in securing the position is dependent upon this interview.

4. How can the student secure knowledge of himself/herself?
   By preparing a written, personal inventory.

5. What type of information should the applicant gather about the employer or firm conducting the interview?
    a. Location of plant
    b. Kinds of products sold or manufactured
    c. Growth trends
    d. Employment opportunities

Preparing for the Interview
(Questions & Answers continued)

6. What kinds of information are employers generally interested in about the applicant?
   a. Experiences
   b. Skills
   c. Job desired
   d. Work habits
   e. Prior employment
   f. Personal reference

7. How should the applicant dress for the interview?
   Neatly, but not overdressed.

8. What should the applicant do if the interview is unsuccessful?
   Make an application with another firm and learn from any mistakes made during the first interview.

9. Respond verbally to student activity no. 2 on the preceding page. (Group discussion.)

Information Sheet
on
PREPARING FOR THE INTERVIEW

The purpose of the interview is to permit the employer to become familiar with the applicant's attitude toward people, employment, and the firm; education and work experience; future career plans; and other pertinent information. Since the 20 to 25 minutes required for the interview is some of the most valuable time spent in procuring a job, the applicant must make detailed preparations for the interview.

Since it is a known fact that the first impression is generally a lasting one, the impressions and image projected during the interview must be favorable ones. There is only one personal interview, and the success or failure of the applicant in securing the position is dependent upon the interview.

Most everyone has had the opportunity of observing a good salesperson. This individual has product knowledge, not only of the product being sold but of competitive products. Questions asked about the product can be answered by a good salesperson without hesitation.

It is necessary, like a good salesperson, that an applicant for a job be able to answer any question, either orally or in writing. The applicant is trying to sell a product--experience, knowledge, skills, and services. As is true in product sales, the applicant must have a knowledge of what is being offered before successfully selling it.

One method of acquiring product knowledge, knowledge of what the applicant has to offer, is to prepare a written personal inventory. The inventory is not written for the purpose of presenting it to the prospective employer, but for the applicant's study and benefit.

After reviewing the inventory, the job seeker may determine that he/she does not have the qualifications for the position. It is absolutely necessary that one can offer the skills and competencies needed to perform the job for which an application is being submitted.

As much information as is possible to secure should be compiled about the employer or firm prior to the interview. The location of plants, kinds of products sold and manufactured or services provided, growth trends, and employment opportunities are some of the facts that might be helpful during the interview. This type of information should be helpful regardless of the size of the firm. One method of securing this information is to talk to employees of the firm.

Although many firms are constantly looking for employees, generally a person must apply or seek the position to get a job. An application indicates interest and initiative on the part of the applicant.

Preparing for the Interview
(Information Sheet continued)

Employers differ as to the information desired, but in general all are interested in the job seeker's experience, skills, work habits, prior employment, job desired, and personal references. A review of the Personal Inventory Form in topic 2, "Personal Qualities for the World of Work," may be helpful in preparing for the interview.

The following should be considered and applied on the day of the interview to create a good impression, to do a good selling job.

1. Personal appearance - The applicant should be neatly dressed but not overly dressed for the position being sought. Clean, well-pressed clothes should be worn. Males should be clean shaven, have hair combed, nails clean, teeth brushed and shoes shined. Females should be modestly dressed and well-groomed.

   Both males and females should refrain from smoking during the interview, unless the prospective employer issues an invitation to smoke.

2. Promptness - A good salesperson is on time and does not keep the customer, or employer in this case, waiting. Tardiness creates an unfavorable impression.

3. Exclusion - The job seeker should appear alone for the interview. Most employers resent persons applying in groups or pairs.

   The applicant should not be disappointed if he/she is unable to make the impression desired. Learn from mistakes and make an appointment with another firm. After the first interview, the applicant should become familiar with interview procedures and should make a better impression at the next interview. The best salesperson does not make every sale.

QUESTIONS OFTEN ASKED DURING THE INTERVIEW

Having the answers to the following list of questions may help an applicant to become better prepared for the interview.

1. Why would you like to work for our company?
2. Are you seeking temporary or permanent employment?
3. In what type of work are you most interested?
4. Do you prefer working by yourself or with others?
5. What qualifications or training do you have for this job?
6. Where did you rank in your graduating class from high school?
7. Do you feel that you have done the best scholastic work that you are capable of doing?
8. In what activities and clubs were you involved while in high school?

Preparing for the Interview
(Information Sheet continued)

9. How many days were you absent from school or work because of illness?
10. Have you had any serious illness?
11. Do you smoke?
12. Do you drink alcoholic beverages?
13. Do you like routine work?
14. Do you like regular hours of work?
15. How do you feel about working overtime?
16. Do you prefer a specific geographic location?
17. Are you willing to go where the company sends you?
18. What salary do you expect?
19. Have you had any difficulty getting along with fellow students and instructors?
20. Do you have any debts?
21. How do you spend your leisure time?
22. Do you have any other part-time duties?
23. Would you be interested in part-time training to improve your position with the company?
24. What is your major weakness?
25. When can you begin work?

TOPIC: THE PERSONAL INTERVIEW

OBJECTIVE: To stress the importance of creating a favorable impression in the interview and to provide the student with some general ideas of how to effectively participate in an interview.

REFERENCE: Information Sheet, "The Personal Interview"

STUDENT ACTIVITIES:

1. Study the information sheet to learn how to create a good impression at the interview.
2. Determine the things that one might do to help make a more favorable impression when going for an interview.
3. Prepare a personal data sheet listing the information that might be presented to an interviewer.
4. Participate with other members of the class in role playing activities in which someone takes the role of the interviewer and several others take the role of applicants. Then discuss the correct and incorrect behavior shown in the interviews.

SUGGESTED TEACHER ACTIVITIES:

1. Discuss the study questions with the class after the assignment has been completed.
2. Discuss the negative factors evaluated during the employment interview and which frequently lead to rejection of the applicant.
3. Ask the students to fill out the rating sheet for the personal interview form on one of the selected mock interviews conducted in the class.

QUESTIONS AND ANSWERS:

1. What are some items that should be taken when going for an interview?
    a. A pen and pencil
    b. Social Security card
    c. Personal data sheet
    d. Work permit (if required for the job)

2. What are some factors that will help in making a good first impression?
    a. Always go alone; do not take a parent or friend.
    b. Physical and mental appearance must be at their best.
    c. Be on time for the interview. Allow extra time for unexpected delays.

3. How should the applicant introduce himself/herself to the interviewer? If not introduced by the receptionist or secretary, the applicant should introduce himself/herself in a pleasant, business-like manner. The applicant should not refer to himself/herself as "Mr." or "Mrs."

4. List several "Do's" and "Don'ts" for the interview.

DO's

a. Allow the interviewer to take the lead in asking questions.
b. Responses should be brief and explicit.
c. Only information requested should be given, unless an indication is given that more information is desired.
d. Use good English and avoid using slang.
e. Be truthful and direct.
f. Sell qualifications rather than need for work.
g. Be your most agreeable self.
h. Provide the interviewer with a personal data folder when a desire is indicated for the information it contains.
i. Show initiative and enthusiasm.
j. Say very little if unable to say something pleasant.
k. Be prepared to leave when interviewer ends interview.
l. Ask if there will be further contact and in what manner if interviewer does not mention it.
m. Follow up on interviews which seem encouraging.

DON'Ts

a. Take the interviewer's time by providing information not related to the job.
b. Shower the interviewer with documents on experiences or qualifications.
c. Smoke or chew gum.
d. Tell jokes or be overly friendly.
e. Argue about controversial matter.
f. Show emotions or strong personal opinion.
g. Be overly concerned about wages and fringe benefits.
h. Read papers that might be on interviewer's desk.
i. Say anything that will give the interviewer the idea the applicant is a complainer or troublemaker.
j. Appear anxious or eager to leave.

5. Why should the applicant not over-emphasize his need for the job? The employer is more interested in what the applicant can offer the firm.

6. How should the applicant handle personal questions of a controversial nature? Do not argue about questions of a controversial nature. The best policy is to answer briefly or without emotion or strong personal opinion one way or another.

The Personal Interview
(Questions & Answers continued)

7. Who should end the interview, the applicant or the interviewer?
The interviewer should end the interview; however, the applicant should feel free to ask about wages, hours, or information of interest the interviewer has overlooked.

8. What should the applicant do at the end of the interview?
He should thank the interviewer for his/her time and consideration and then leave unless other requests are made.

9. When the interviewer fails to mention a future contact, what might the applicant do?
Ask if further contact will be made and, if so, approximately when and in what manner.

10. What is a suggested follow-up after the interview?
Write a thank-you note to the interviewer.

Information Sheet
on
THE PERSONAL INTERVIEW

Seldom is a person hired for a job without having a personal interview. Although the applicant will normally experience some anxiety, nervousness, and apprehension, it should be considered an important experience which requires careful consideration and preparation.

Some items should always be taken by the applicant to the interview. These are (1) pen and pencil, (2) social security card, (3) personal data sheet, and (4) a work permit, if one is required for the job.

Prior to the interview, it is advisable to acquire as much knowledge as possible about the employer and employer's business. A knowledge of the business could cause the employer to become interested in the applicant. Due to the reputation of some firms, an applicant often applies for a job without knowing if an opening exists. Securing background information about the firm will normally reveal the positions available.

The first impression is likely an important and long lasting one. Therefore, the applicant should strive to make a good first impression. Some factors that will help in making a good impression are discussed below:

1. Always go alone to an interview. Do not take a parent or friend. If it is necessary that the applicant get a ride with someone, the driver should remain in the car.

2. Physical and mental appearance must be at their best. Particular attention should be given to the applicant's dress and appearance. Grooming is important.

3. Allow extra time for unexpected delays. However, do not arrive at the interviewer's office more than 10 or 15 minutes early. Plan to arrive about five minutes before the appointed time.

4. When entering the outer office, introduce yourself to the secretary or receptionist in a cordial manner. When entering the interviewer's office, if not introduced by the receptionist, introduce yourself in a businesslike manner. Do not introduce yourself as "Mr." or "Mrs." If the interviewer offers to shake hands, do so with a firm brief grasp. Sit down only if invited, and when seated observe good posture. Never lay anything, such as a purse or an article of clothing, on the interviewer's desk.

5. Some interviewers are informal and chatty, and are nothing more than the employer looking over a group of applications to determine the most capable for the job. Still others may take more time and involve a series of tests to determine the applicant's

aptitudes and abilities. In the usual interview, the prospective employee completes an application in an outer office or room, the secretary takes it to the employer, the employer takes a few minutes to review the application, then the secretary either sends or accompanies the applicant into the interviewer's office.

6. Allow the interviewer to take the lead in asking questions. Employers know the information they are most interested in securing. The first question may be the applicant's qualification or requirements for the job. Responses should be brief and explicit. Only information requested should be given, unless it is indicated that more information is desired. Do not take time by giving detailed or favorable information about yourself that is not related to the job. The applicant may provide the interviewer with a personal data folder when a desire is indicated to learn the information it contains. However, do not shower the interviewer with documents on your experiences or qualifications.

7. Use good English and avoid slang. Be truthful and direct. Sell qualifications rather than a need for the job. The interviewer is interested in what applicant offers the firm, rather than how badly a job is needed. Show initiative and enthusiasm, and do not be overly concerned about wages and fringe benefits. Cigarettes and gum should be left in applicant's pocket. Do not tell jokes or be overly friendly. Be your most agreeable self, for getting along with others is a part of the job. Papers on the interviewer's desk are personal property, so do not try to read them.

8. The questions asked during the interview will depend upon the technique used by the interviewer. Some questions may be intentionally personal and blunt to test the applicant's reaction and tact. Other questions may be asked to determine social or moral attitudes, as well as concerning knowledge of the job. If a matter is of a controversial nature, do not argue about it. The best policy is to answer briefly and without showing emotions or a strong personal opinion. When unable to say something pleasant about a situation or topic, a good rule to follow is to say very little or nothing. This is particularly true if the subject pertains to school or a former employer. If it becomes necessary to explain a situation that is not totally desirable, avoid saying anything that will give the interviewer the idea that you are a complainer or troublemaker.

9. The interviewer should end the interview. However, if there are points of interest concerning wages, working hours, company policy, or other specific information that the interviewer has overlooked, the applicant should feel free to ask questions about them. A job seeker does not wish to appear to be overly anxious, but it is necessary to be well informed in order to make an intelligent decision. Most employers encourage questions regarding the business firm and its policies. Often these are covered near the end of the interview.

10. When the interview appears to be at an end, the applicant should leave. It is proper at the close of the interview to express appreciation to the interviewer for his time and consideration. The employer, however, should be the one to end the interview, and the applicant should not appear anxious or eager to leave. Some mention is normally made of future contact by the interviewer; but if it is not, the applicant should ask if there will be further contact, and if so, approximately when and in what manner.

    It is not a common practice to offer employment at the close of an interview, but in some instances this is done. The more common practice is to offer the job seeker employment after reviewing application, evaluating interview, checking with personal references, and making a comparison of all applicants.

11. Follow up on interviews which appear encouraging. This may be accomplished by sending a thank-you note, which is a courteous gesture and serves as a reminder of the interview. The applicant should not be discouraged if the job applied for is not received. The best salespersons do not make a sale at every call, but they continue to make other calls.

The Personal Interview
(Information Sheet continued)

NEGATIVE FACTORS EVALUATED DURING THE EMPLOYMENT INTERVIEW AND WHICH FREQUENTLY LEAD TO REJECTION OF AN APPLICANT

These were listed by 153 companies which were surveyed by Frank S. Endicott, Director of Placement, Northwestern University.

1. Poor personal appearance.
2. Overbearing--overagressive--conceited "superiority complex"--"know-it-all."
3. Inability to express himself/herself clearly--poor voice, diction, grammar.
4. Lack of planning for career--no purpose and goals.
5. Lack of interest and enthusiasm--passive, indifferent.
6. Lack of confidence and poise--nervousness--ill-at-ease.
7. Failure to participate in activities.
8. Overemphasis of money--expects too much too soon.
9. Poor scholastic record--just got by.
10. Unwilling to start at the bottom--expects too much too soon.
11. Makes excuses--evasiveness--hedges on unfavorable factors in record.
12. Lack of tact.
13. Lack of maturity.
14. Lack of courtesy--ill mannered.
15. Condemnation of past employers.
16. Lack of social understanding.
17. Marked dislike for school work.
18. Lack of vitality.
19. Fails to look interviewer in eye.
20. Limp, fishy hand-shake.
21. Indecision.
22. Loafs during vacations--lakeside pleasures.
23. Unhappy married life.
24. Friction with parents.
25. Sloppy application blank.
26. Merely shopping around.
27. Wants job only for short time.
28. Little sense of humor.
29. Lack of knowledge of field of specialization.
30. Parents make decisions for him/her.
31. No interest in company or in industry.
32. Emphasis on whom he/she knows.
33. Unwillingness to go where we send him/her.
34. Cynical.
35. Low moral standards.
36. Lazy.
37. Intolerant--strong prejudices.
38. Narrow interests.
39. Spends much time in movies.
40. Poor handling of personal finances.
41. No interest in community activities.
42. Inability to take criticism.
43. Lack of appreciation of the value of experience.
44. Radical ideas.
45. Late to interview without good reason.
46. Never heard of company.
47. Failure to express appreciation for interviewer's time.
48. Asks no questions about the job.
49. High pressure type.
50. Indefinite response to questions.

WHY THE OTHER BOY WAS HIRED

There's a good deal of talk these days about teenage unemployment. Some of it makes sense, and some of it doesn't.

Donald E. Wood wrote a letter to a teenage boy who had applied for a job. It represents a point of view shared by many employers. It is reprinted here to help the students understand how employers evaluate applicants.

Dear Kid:

Today you asked me for a job. From the look of your shoulders as you walked out, I suspect you've been turned down before, and maybe you believe by now that kids out of high school can't find work.

But, I hired a teenager today. You saw him. He was the one with polished shoes and a necktie. What was so special about him? Not experience, neither of you had any. It was his attitude that put him on the payroll instead of you. Attitude, son. A-T-T-I-T-U-D-E. He wanted that job badly enough to shuck the leather jacket, get a haircut, and look in the phone book to find out what this company makes. He did his best to impress me. That's where he edged you out.

You see, Kid, people who hire people aren't "with" a lot of things. We know more about Bing than about Ringo, and we have some Stone-Age ideas about who owes whom a living. Maybe that makes us prehistoric, but there's nothing wrong with the checks we sign, and if you want one you'd better tune to our wave length.

Ever hear of "empathy?" It's the trick of seeing the other fellow's side of things. I couldn't have cared less that you're behind in your car payments. That's your problem, and the President's. What I needed was someone who'd go out in the plant, keep his eyes open, and work for me like he'd work for himself. If you have even the vaguest idea of what I'm trying to say, let it show the next time you ask for a job. You'll be head and shoulders over the rest.

Look Kid: The only time jobs grew on trees was while most of the manpower was wearing G.I's and pulling K.P. For all the rest of history you've had to get a job like you get a girl: "Case" the situation, wear a clean shirt, and try to appear reasonably willing.

Maybe jobs aren't as plentiful right now, but a lot of us can remember when master craftsmen walked the streets. By comparison you don't know the meaning of "scarce."

You may not believe it, but all around you employers are looking for young men smart enough to go after a job in the old-fashioned way. When they find one, they can't wait to unload some of their worries on him.

For both our sakes, get eager, will you?

Donald E. Wood

THE BOY WHO RECOMMENDED HIMSELF

A gentleman advertised for a boy to assist him in his office, and nearly fifty applicants presented themselves. Out of the number, he selected one and dismissed the rest.

"I should like to know," said a friend, "on what grounds you selected that boy, who had not a single recommendation."

"You are mistaken," said the gentleman. "He had a great many. He wiped his feet when he came in, and closed the door after him, showing that he was careful. He gave his seat, instantly, to that lame old man, showing that he was kind and thoughtful. He took his hat off when he came in and answered my questions promptly, showing that he was polite and gentlemanly. He picked up the book which I had purposely laid on the floor and replaced it upon the table, while all the rest stepped over it, showing that he was orderly. He waited quietly for his turn, instead of pushing and crowding. While I talked to him I noticed that his clothing was tidy, his hair neatly brushed, and his finger nails clean. Do you not call these things recommendations? I do."

This story was taken from a book by George W. Gerwig entitled, "Ambition--Guideposts to Character," published by the American Book Company, New York.

SAMPLE RATING SHEET FOR PERSONAL INTERVIEW

Name______________________________ Job Applied For____________________

Check the answer which you think is most appropriate for the following questions:

YES	NO	
		1. Arrived on time
		2. Introduced himself/herself properly (stood erect and looked interviewer in the eye during introduction)
		3. Waited for invitation to be seated
		4. Answered questions clearly and concisely
		5. Had all proper credentials (social security card, personal data sheet, work permit--if applicable)
		6. Was generally familiar with the company (wage scale, nature of work, reputation of the company, competition in the field, etc.)
		7. Asked pertinent questions about the company
		8. Used reasonably good English

(Check one)	Above Average	Average	Below Average
1. Appearance			
2. Interest			
3. Maturity			
4. Anticipated competence			
5. Attitude			

Comments:

Recommendations:
1. _________ Hire
2. _________ No Interest
3. No interest, suggest interview with ______________________________

Evaluator______________________________ ______________________
(Signature) (Date)

TOPIC: EVALUATING JOB APPLICANTS

OBJECTIVE: To place the student in the position of the employer while evaluating job applicants and to give the student the responsibility of selecting an employee from a group of four applicants.

REFERENCES: Information Sheet, "Evaluating Job Applicants"

STUDENT ACTIVITIES:

1. Students should imagine that they are the employer who has interviewed the four applicants described in the information sheet.
2. They should study the qualifications of each of the applicants carefully, then proceed to answer the questions below.

SUGGESTED TEACHER ACTIVITIES:

1. Discuss the qualifications of the four job applicants after students have completed the assignment.
2. Give the students an opportunity to discuss with other class members their reasons for selecting the applicant of their choice.

QUESTIONS AND ANSWERS:

1. If you were Mr. Smith, which of these four applicants would you hire? Explain your choice. (Group discussion.)

2. If your first choice declined the offer, which would you then hire? (Group discussion.)

3. Are there any of these applicants which you would not hire? If so, why? (Group discussion.)

Information Sheet
on
EVALUATING APPLICANTS

The Cen-Tex Tractor Company has agreed to employ an Agriculture Cooperative Student. The work of the student is to be divided between the parts department as a salesperson and the repair shop as a mechanic's helper. Mr. Smith, the owner, interviews the following applicants who have applied for the job.

Ask the students to assume that they are Mr. Smith and are desirous of hiring a student that will be the most helpful in increasing business. Ways in which employees may be helpful in increasing business are to handle each assigned task efficiently, be pleasant with customers and other employees, be personable, provide good customer service, and be loyal to firm.

Ask students to read the information on the following applicants and evaluate them from Mr. Smith's point of view.

Applicant No. 1

Johnny, an 18-year old senior, has worked as a service station attendant on weekends during his junior year and the past summer. Johnny's grades in school have been mostly B's and C's, and he has taken a general curriculum since he does not plan to attend college. His only extracurricular activity was band, in which he has been a member of the high school band for two years. Johnny possesses a talent for music and is presently playing country western music with a band which plays for a club on Thursday and Saturday nights. He has not decided on a definite career, but wants a good job after graduation so that he can purchase a new car and better musical instruments. Johnny is 5' 8" tall, weighs 145 pounds, and is well liked by his high school classmates. He arrived on time for the interview wearing slacks and an open-collar sport shirt. He has a mod hair style and was neat in appearance.

Applicant No. 2

Jerry is 19 years old and a senior in high school. His work experiences include general farm work on parent's farm, and during his junior year in high school he worked as a dairy hand. Jerry's grades in school have been mostly C's. Jerry's parents cannot afford to send him to a four-year college, but he would like to attend a community college and learn a technical trade. In order to save money to attend the community college, he would like to work for a year after graduating from high school. Jerry has not participated in any extracurricular activities at school, is rather shy in class, and rarely attends school sponsored functions. He is 6' tall and weighs 170 pounds. Jerry arrived five minutes early for the interview wearing jeans and an open-collar sport shirt. He had a conservative hair style and was neat in appearance.

Applicant No. 3

Eddy is 17 years old and a junior in high school. His work experience includes part-time employment in a feed store, which is managed by his father. When one of the regular feed store employees wants off on a Saturday, Eddy works in his/her place. Eddy's grades in school have been mostly A's and B's. He does not have a definite career goal, but wants to attend college and take a general course in agribusiness. Eddy has taken the courses in high school that the counselor indicated would be required for college entrance. He is interested in athletics and has participated in football and track the last two years. Eddy is popular in high school and attends most school sponsored activities. He is 5' 9" tall and weighs 165 pounds. He arrived on time for the interview wearing slacks, dress shirt, and tie. He had a neat appearance and a moderately conservative hair style.

Applicant No. 4

Bobby is 18 years old and a senior in high school. His work experiences include general farm work, service station attendant, and during the past summer he was a carpenter's helper. Bobby's grades in school have been B's and C's. He has no intention of attending college and has taken mostly elective courses in a general curriculum. He has not established a definite career goal but thinks he would like to become a skilled worker in some technical area. He is willing to attend night classes if necessary to develop and improve skills. Bobby is looking forward to graduation so that he can provide for himself and become independent of his parents. He is 5' 8" tall, weighs 180 pounds, and has a quite reserved personality. He arrived a little late for the interview wearing jeans and a tee-shirt. He appeared to be nervous during the interview.

TOPIC: HOLDING A JOB

OBJECTIVE: To familiarize students with some of the characteristics which contribute to successful full-time and part-time employment.

REFERENCE: Information Sheet, "Holding a Job"

STUDENT ACTIVITY:

After students have read information sheet, they should be asked to make suggestions for improving attitude and work habits on the job.

SUGGESTED TEACHER ACTIVITY:

Conduct a class discussion relating to questions presented below and methods of improving attitude and work habits.

QUESTIONS AND ANSWERS:

1. What are the benefits of part-time employment?
   a. Provides valuable work experiences.
   b. Provides opportunity to make new friends.
   c. Provides opportunity to acquire references for future recommendations.
   d. Provides the possibility of full-time employment.

2. List important considerations that should be given to the first day on the job.
   a. Plan to arrive early for work, as the new employee may not be familiar with delays in the route of travel.
   b. The new employee should be friendly, enthusiastic, and have a good attitude.
   c. The new employee should listen carefully to instructions.
   d. When assigned a task, the new employee should proceed with the task immediately.

3. List several personality traits that should be developed and cultivated by an employee on the job.
   a. Friendliness
   b. Enthusiasm
   c. Good attitude
   d. Honesty
   e. Attentiveness
   f. Foster respect
   g. Courtesy and tactfulness
   h. Physically and mentally prepared for work

4. List ways in which an employee may receive a promotion.
   a. By presenting evidence that the employee has increased his/her value to the firm
   b. By presenting evidence of the quantity and quality of work

c. By providing explanation of work or task liked best
d. By presenting evidence of ability to get along with peers

5. When should an employee ask supervisor about the task to be performed? When he/she is in doubt as to the next task. However, the employee should not become burdensome to the supervisor.

Information Sheet
on
HOLDING A JOB

The information contained in this topic is applicable to both full-time and part-time employees. Since the student represents the school and vocational agriculture department, it is particularly important that he/she performs each assigned task well and favorably impresses the employer.

In addition to gaining valuable work experiences, successful part-time employment provides the opportunity to make new friends, to acquire references for future recommendations, and the possibility of full-time employment. Many part-time employees are offered full-time employment after graduating from high school. Every effort should be made by the student to make the part-time employment successful. Success is a habit which must be formed early in life.

The first day on the job is probably the most important, as it is similar to the cliche, "the first impression is usually a lasting impression." Normally a lack of confidence, apprehension, and anxiety are experienced by the new employee the first few days on the job. It might be helpful to remember that the employer has confidence in the new employee and believes that he/she can perform or learn to perform the tasks. Otherwise he/she would not have been employed. The first day should be considered as an opportunity for a new adventure.

There are a number of characteristics which will impress the employer, as well as other employees. While some of these are listed below, the class can probably add to the list.

1. The employee should plan to arrive at work early the first day.
   Allowance should be made for delays in travel. Adjustments in travel time can be made after the employee becomes familiar with possible delays in the route.

2. The new employee should be friendly, enthusiastic, and have a good attitude.
   The employer and other employees are aware that the new employee has much to learn. These and other desirable personality traits should be practiced until they become habits. Desirable personality traits will help in succeeding in the present position and will be helpful in acquiring promotions and greater responsibilities. Many promotions are the results of recommendations from peers.

3. The new employee should listen carefully to instructions.

   Attentiveness is important to making a good impression. Questions should be asked while instructions are being given if the new employee does not understand the instructions.

4. When requested to perform a task, the new employee should proceed immediately. Performing assignments promptly and effectively are indications of an efficient worker. It becomes burdensome to the supervisor if he/she is constantly asked the next assigned task. If possible, the new employee should follow through with tasks and use good judgement.

   Placing and receiving personal telephone calls, entertaining visiting friends, and attending to other personal business during hours of employment are foolish practices that do not impress the employer or other employees.

5. Attempt to acquire the respect of the employer and employees. Some firms have employees who loaf on the job. Although it may appear that the loafer has the friendship of other employees, respect is lacking. Loafing is a form of dishonesty which does not foster respect.

6. After becoming familiar with responsibilities, the new employee should use initiative and proceed with another task after one task is completed. When in doubt as to the next task, the supervisor should be asked.

7. Employees should conform to company policies. All policies and regulations may not be completely understood, but there are reasons for their adoption.

8. Courtesy and tact are essential when dealing with customers.
   Even when patience is tried, a friendly, courteous disposition should be maintained. If there is some irritation, it should be concealed.

9. The new employee should be honest at all times.
   Mistakes will be made; when made, they should be admitted. Placing the blame for one's mistakes on someone else is a form of dishonesty. Often one can benefit from a mistake by learning the proper method or procedure. Reliability and honesty are valued highly by employers and others.

10. Employees should be physically and mentally prepared for the day's work. It is the employee's responsibility to stay healthy and be prepared for work.

Establishing Goals

Long-term goals should be established and worked toward. Promotions in many instances must be sought. After acquiring the necessary knowledge and skills and becoming qualified, one should seek a promotion. Promotions are sought in the following ways:
1. Present evidence that the employee has increased his/her value to the firm;
2. Present evidence of the quantity and quality of work;
3. Give explanation as to work liked best, or task one likes to perform.
4. Present evidence as to employee's ability to get along with peers.

TOPIC: EMPLOYEE - EMPLOYER RELATIONS

OBJECTIVE: To impress upon the student the importance of good employee - employer relations to job success and the responsibilities of the employee and employer in achieving a good working relationship.

REFERENCE: Information Sheet, "Employee - Employer Relations"

STUDENT ACTIVITIES:

After discussing the questions, discuss in class the two case situations given below:

Case No. 1 - This case pertains to loyalty to the boss. Assuming Norman is a loyal employee, what should he do?

Norman Jones, an employee in a farm supply store, has sold goods in this store for a number of years. He has come to know and to appreciate his co-workers and the manager of the business office. As far as he knows, the store has always attempted to give good service to its customers.

This afternoon, Wayne Wilson, ordinarily an intelligent and mildmannered local farmer, came into the store very upset. An insecticide which he had purchased at the store and applied to his alfalfa had seriously damaged the crop. Wayne believed the store manager deliberately sold him the wrong kind of insecticide.

Wayne and a group of neighbors have been pooling their orders and ordering protein supplement directly from a soybean processing plant. By ordering in carload lots and splitting it among the group, they can purchase the supplement much cheaper than the store can afford to sell it to them. Wayne believes this is the reason the store manager sold him the wrong insecticide for his alfalfa.

Wayne came to the counter and demanded in a loud voice to see the manager. Norman looked for the manager but couldn't find him. Wayne did not want to wait, so he left the store mumbling to himself. When the manager came in, Norman related the story to him. They found the sales slip which gave the name of the insecticide which was sold to Wayne Wilson. It was appropriate for alfalfa. They read the instructions and decided that Wayne must have made the spray mixture too strong.

Since the agricultural business didn't want to offend a customer, the manager asked Norman to drive out to Wayne Wilson's farm and explain the situation to him. When Norman arrived at the farm, he found a neighbor of Wayne's helping him assemble some machinery. Norman carefully explained what must have happened, showing Wayne the sales receipt. Like most of us, Wayne did not want to admit the damage to his alfalfa was his fault. Wayne was critical of the store, and said, " The store manager deliberately gave me wrong information. "

Employee - Employer Relations
(Student Activities continued)

Case No. 2 - The following is a case of an employee in conflict with his immediate supervisor. What would the students expect the foreman, Alvin, to do with this employee? How do they feel about Jake's comments?

The Quick-Trim Landscaping Company is a small agricultural business which employs various teams of men to perform a variety of duties. The company has contracts for maintenance of cemeteries, parks, etc. It also establishes new lawns. Within each work team, some tasks are more specialized than others. Alvin Myers, the foreman of one six-man work crew, likes each man to be familiar with a number of tasks and a variety of skills. When an individual is absent or is sick, another person from the same group can take over his responsibilities. These new skills are taught to the men during slack periods in certain seasons of the year.

Last week, Alvin asked Jake Hanson, one of the oldest employees in age in his group, to learn how to operate a surveyor's level. The instrument is used in determining field grades, drainage ditch routes, and selecting and checking the level of the seed bed on an area to be landscaped. Jake is a 35-year old employee who is married and has two school-age children. He has very little initiative; in fact, he has had trouble keeping a job. He hasn't had much to say, keeping to himself and doing only what was asked of him. When Alvin asked Jake to use the level, he replied, "I'm not getting paid to run that thing and do that kind of work. I don't want anything to do with it."

SUGGESTED TEACHER ACTIVITIES:

1. Discuss the questions with the class.
2. Lead the class in a discussion of the two case studies involving (1) loyalty to a superior, and (2) an employee in conflict with his supervisor.
3. Lead a class discussion on the following statement. "A loyal employee should endorse all employer business policies at all times." To what extent is this true?

QUESTIONS AND ANSWERS:

1. What three factors largely determine the degree of success attained by a worker on the job?
    a. Ability to perform the duties of the job skillfully.
    b. Possession of certain knowledge and understandings.
    c. Ability to get along well with other employees.

2. List briefly the items provided on the job by the employer.
    a. A place in which to work and equipment with which to work.
    b. Training for the job.
    c. Pleasant surroundings in which to work.
    d. Salary and fringe benefits.

3. List briefly the things the employer has a right to expect of the employee.
    - a. Honesty
    - b. Loyalty
    - c. Willingness to learn
    - d. Willingness to assume responsibility
    - e. Respect for authority
    - f. Ability to get along well with people
    - g. Willingness to cooperate
    - h. Adherence to rules and regulations
    - i. Promptness in getting to work and a good record of attendance
    - j. Previous notice of termination of employment

4. How might the statement, "Loyalty is not something to be demanded; rather it is something to be deserved," apply to new employees?

    Loyalty is the product of continued contact with a person or business over a period of time. New employees should not expect to receive total loyalty before proving themselves worthy of their supervisor's faith and confidence.

5. Which employee trait or characteristic is probably the most highly prized? The ability to get along with people.

6. What should the employee do when it is absolutely necessary to miss work? The employee should notify the supervisor that he/she will not be at work. This allows the supervisor to make adjustments in production and/or labor.

7. List some justifiable reasons for an employer discharging an employee from the job.
    - a. Willful disobedience
    - b. Disloyalty
    - c. Incompetency
    - d. Nonperformance

8. Under what conditions may an employee terminate a contract at any time? When wrongfully assaulted. Severe and rude language is not considered as wrongful assault, but striking a person is.

Information Sheet
on
EMPLOYEE - EMPLOYER RELATIONS

The degree of success attained by a worker is largely dependent upon three factors: ability to perform the job skillfully, possession of certain knowledge and understandings, and ability to get along well with other employees. Although skills and knowledge are important, the most important trait in an employee, according to the personnel managers of 100 of the largest companies in the United States, is good personal relations, the ability to get along well with other people. This trait is important to the employee as well as the employer. Employers who ignore the principles of good human relations are plagued with disgruntled workers and usually have a high employee turnover rate. A good employee - employer relationship is truly a two-way affair requiring thoughtfulness, consideration, and all aspects of fair play. The old cliche, "the people you like and admire are pretty apt to like you," is generally true. The employee should like the employer and most of the other employees.

A new employee often receives the various benefits provided by the employer without really considering their value or cost and how they are made possible. Benefits must usually be derived from profits. The wise employee will understand the source of benefits and that the employer has a right to expect something in return. Having a good attitude toward the employer and the job will do much toward making a successful, valuable employee.

Items normally provided by the employer are as follows:

1. The employer provides a place to perform the work and equipment to work with. This often includes land, buildings, and fixtures. The employer may have a large investment in these items.

2. Many employers provide on-the-job training. Often employers do not expect a new employee to reach production potential until he/she is trained, and they usually expect to lose money while the beginner is being trained. Students should remember that the amount of training provided by the employee is often determined by the enthusiasm, desire, attentiveness, and progress of the employee. The enterprising worker often receives the most training and is promoted to a supervisory position.

3. A business or employer should provide pleasant surroundings in which to work. In addition to providing facilities and equipment for employment, many firms provide lunchrooms, cafeterias, hobby shops, and recreational facilities and activities for employees.

4. The employer is responsible for salaries and fringe benefits. Fringe benefits may include various forms of insurance (medical, life, accident, and unemployment), retirement plans, holidays and vacations, and discounts on purchases.

Employee - Employer Relations
(Information Sheet continued)

In return for salary and fringe benefits, employers expect cooperation and dependability from the employee. Included also are the following attitude and character traits:

1. Honesty - Apparently some people think that just taking a small, inexpensive item is not being dishonest. They will nonchalantly walk off with a quarter from the cash drawer, a candy bar from the counter, a small tool or some other item from the tool room. Honesty is more than just not taking things which do not belong to one. It means giving a fair day's work for a fair day's pay; it means carrying out one's part of a bargain; it means that one's words convey true meanings and actual happenings. An employee's thoughts as well as action should be honest. There is not anything that brings quicker dismissal or surer disgrace for an employee than dishonesty. An employer will overlook a great deal to keep an employee who is completely honest.

2. Loyalty - Loyalty implies the support of a cause, ideal, practice, or custom. It means supporting a person or an organization and is a two-way proposition. Employees expect employers to protect their interest, to provide steady employment, and to promote them to better positions as openings occur. Employers have a right to expect employees to support them, to protect their interest, to speak well of them to others, to keep minor problems within the confines of the plant or office, and to keep matters pertaining to the business absolutely confidential. Both employees and employers should be aware that loyalty is not something to be demanded; rather, it is something to be deserved.

   Time is required for loyalty to mature and grow. It is the product of continued contact with a person or business over a period of time. New employees should not expect to receive the employer's loyalty before proving themselves worthy. Likewise, business firms must earn the loyalty of the employee. The good will and loyalty which develop between supervisors and employees are valuable commodities, which are not to be treated lightly.

3. Willingness to learn - Production procedures and services offered by most agricultural businesses are usually different. Employers expect employees to learn their methods and procedures. Due to the installation of new machinery and equipment, it is often necessary that experienced employees learn new skills and operating procedures. The employee given a promotion or greater responsibilities is usually the one that learned new skills and became more valuable to the firm.

4. Willingness to assume responsibility - Most employers expect employees to recognize the task at hand and to do it. It is tiring to have to ask again and again about the task to be performed. When an employee is given instructions as to the performance of a task, the employer expects the instructions to be followed. Generally, responsibility should be delegated and not assumed; however, once the responsibility has been delegated, the employee should continue to perform the duties without further instructions.

5. Respect for authority - Authority in agricultural businesses is usually entrusted to managerial positions which are responsible for production, sales, or service.

   Authority is the responsibility to give commands, take actions, or make final decisions. Most agricultural businesses are relatively small and uncomplicated. yet, the respect of the employee's superior is important, even in a small business.

6. Ability to get along with people - This is the most highly prized of all employee traits. This ability appears to be natural with some people, while others acquire the ability through thought and training. In order to acquire the ability, one must learn to think of people as individuals, to be able to view a situation from the other person's viewpoint, and to sincerely want to get along with others. Once acquired, the ability to get along well with people pays big dividends in the form of friendship, popularity, and profits. Employers are especially appreciative of good employee attitudes and mild temperaments.

7. Willingness to cooperate - The employee is obligated to give full cooperation to the employer. One of the best ways to exhibit a cooperative attitude is to offer to assist other employees when one's assigned tasks have been completed. In most every firm there are certain tasks no one likes to do. The employee who is willing to do these tasks will make a good impression on the supervisor and also gain the cooperation of other workers. Employees should work as a member of a team and in a joint effort with the employer, supervisors, and other workers.

8. Rules and regulations - Even two people cannot work well together unless there is an understanding as to the work to be done, when it is to done, and who shall do it. In any work situation, rules and regulations are a necessity.

9. Tardiness and absenteeism - Tardiness is being late to work, while absenteeism is not being at work. Both are poor work habits which reduce production.

   Since all people are creatures of habit, there is a tendency to continue doing the same thing, unless the results are unpleasant. The habit of being late may begin in early school days when it was difficult to get up when called. This habit will get one into trouble on the job, as well as at school. Business and industry are governed by the clock. It is the employee's responsibility to be at work on time. Failure to do so may prevent other employees from starting on time. Better planning of the morning routine will prevent tardiness and a breathless arrival on the job. The tardiness habit may prevent one from receiving a promotion.

   It is necessary at times to take off from work. No one should be expected to work when sick, or when there is a serious family problem. However, it is possible to get into the habit of letting unimportant matters keep one from working on the job. This results in lost production and a hardship on those trying to produce with limited employees. There is a principle involved. The employer expects the employee to be on the job unless there is a good reason for being absent.

It is the employee's responsibility to retire at night at a reasonable hour and to be ready for the next day's work. If an employee becomes ill, it is his/her responsibility to recover as quickly as possible. If the employee was the employer, he/she would expect the employee to be dependable.

An act of negligence which is common to some employees is not to notify the employer in case of illness or an important matter which keeps the employee from working. The employee should if possible notify the employer in advance if he/she is not going to be able to work. This, however, is not always possible, but the employee should notify the employer as soon as possible. Failure to notify the employer is the worst possible way to handle an absence. It leaves the employer in an uncertain state. He/she does not know whether the employee is merely going to be late, or whether to assign someone else to the work. Notification of an absence is a common courtesy.

10. Termination of employment - Legally and rightfully there are several ways in which relations between employer and employee may be terminated. In many instances, the condition of employment is set forth in a contract signed by the worker or his representative and the employer.

When employment is based on a contractual agreement, both employer and employee are bound by the same provisions specified in the contract. Should either take the liberty of breaking the contract, the guilty party is liable to the offended party.

In many of the employer - employee relations, there is an unwritten law, sometimes called a gentlemen's agreement, which deals with the termination of employer - employee relations. This is referred to as "due notice" to employer by employee and "due notice" to employee by employer. Most of the employment today is based upon this unwritten law. Being unwritten serves the following purposes:

1. It does not bind an employee for a long period of time to a job in which there is no interest or ability;

2. It does not force an employer to continue to pay an employee whose services are detrimental to the business;

3. It allows both employer and employee time to make adjustments before termination without greatly jeopardizing either; and

4. It serves as a means of keeping both employer and employee respectful and honest with each other.

Even though a legal contract may exist between the employer and employee, there are certain acts in which an employee may justifiably be discharged. These are willful disobedience, disloyalty, incompetency, and nonperformance. The employee should understand that he/she should obey the reasonable demands of the employer. However, acts demanded by the employer which are illegal, not in the scope of employment, or endanger life do not make the employee liable to dismissal if there is refusal to obey.

An employee may be rightfully discharged if acts are committed that are contrary to and not in the best interest of the employer. Secretly engaging in competition with employer, aiding in fraud of the employer, and revealing confidential information about the business are acts for justifiable discharge.

When the employee enters into a contract for labor that requires a reasonable amount of skill, knowledge, and experience, the employer is not required to continue the employment of that individual if the employee cannot perform the duties or service for which he/she was employed.

Up to this point, the discussion has dealt with the termination of the employee by the employer. Employees under certain conditions are also justified in terminating their employment. An employee may and should terminate the employment contract anytime the employer wrongfully assaults him. Severe and rude language is not considered as wrongful assault, but striking a person is. An employee may terminate employment when conditions exist that might cause physical harm or injury to the employee's reputation.

Several types of employment are illegal. Gambling is not legal in Texas. It is illegal for those under 19 years of age to sell liquor. The state also prohibits the employment of minors in places of business located in the same building with, or adjacent to where alcoholic beverages are sold. Many occupations require a person to be licensed before working in the occupation.

One of the greatest of all virtues of an employee is to be loyal to the employer. When the time comes that the employee can no longer be loyal to the organization and the employer, he/she should terminate employment. Also, there is not a place in any organization for an employee that gossips or tells confidential matters to those outside the organization.

TOPIC: EMPLOYEE - EMPLOYEE RELATIONS

OBJECTIVE: To make the students aware of the importance of a good working relationship among employees and factors to consider in improving personal relationships.

REFERENCE: Information Sheet, "Employee - Employee Relations"

STUDENT ACTIVITIES:

1. After reading the information sheet and answering the questions, ask students what they would do in the following situation:

   Joe, a recent high school graduate, has been employed by a local farm machinery dealer. Joe would like to become a machinery salesman, and the owner agreed to train Joe in the sales department. Joe discovered that considerable knowledge was required about various pieces of equipment. In order to learn as much as possible and in the shortest period of time, he took advantage of his free time during the lunch hour and passed up the afternoon coffee break and went to the equipment showroom to read display folders and instruction manuals. The owner of the company observed Joe and gave him extra materials which he thought would be helpful. Also, at times Joe came a little early in the morning to observe equipment that was in the shop.

   After a couple of weeks, one of the older employees in privacy told Joe, "You are new here and the sales staff likes you; but there are a few things you should know. You are not going to receive any advancements. I have been here ten years and am still making the same as when I started. The other employees do not like your coming to work early and failing to take a coffee break. This casts a reflection on the rest of us. You might as well take it easy, and we will all get along better."

2. Students should respond to the questions at the end of the information sheet.

SUGGESTED TEACHER ACTIVITY:

Guide class in a discussion of the above hypothetical situation. After the class has discussed the situation, provide the following alternatives:

a. Joe could have ignored the older employee and continued the free-time study. He might think this was the best method for receiving an advancement.
b. Joe could have taken the advice of the older employee and discontinued his free time study for the sake of the other employees. (Would the action be fair to Joe?)
c. Joe could have gone to the owner and discussed the situation with him. (This could cause a conflict between the management and the employees.)

d. Joe could have tried to get some of the employees to join him during the free time periods. (The class can probably list other alternatives.

Below is an explanation of what Joe did.

Joe decided to partially take the advice of the older man. To maintain a good relationship with the other employees, he would take the full lunch hour and the afternoon break.

This proved to be a good decision. While eating and during the afternoon break, Joe was able to secure information from the other employees about the business. He would ask them reasonable questions, and they gladly answered them. In fact, they took Joe under their wing, so to speak.

Since Joe still wanted to learn as much as possible about the machinery business, liked his job, and wanted to advance, he decided to take materials home with him to study at night. He felt that no one could criticize him for doing this on his own time. In fact, this was the basis for many of the questions he asked during the free time. This proved to be a good solution.

QUESTIONS AND ANSWERS:

__c__ 1. Many occupations deal primarily with machines, equipment, or paper work; that is, they deal with things. In business, however, most of the jobs involve close contact with (a) employers, (b) supervisors, (c) people, or (d) other workers.

__a__ 2. As a group, people are very much (a) different, (b) alike, or (c) it is difficult to say.

__c__ 3. It is possible that the things which one enjoys may (a) appeal to others, (b) not appeal to others, or (c) be distasteful to others.

__d__ 4. Which of the following do most people have in common? (a) Right to work at a job of own choice, (b) desire to get ahead, (c) desire to be accepted and approved, (d) all of these, or (e) none of these.

__a__ 5. The best way to achieve goals in life is to follow one's rights and desires and (a) also the wishes of your boss, (b) what your parents say, (c) the Golden Rule, or (d) just what you feel like doing.

__c__ 6. Do the best work possible for the important jobs and (a) don't worry about the little jobs, (b) let others do the little jobs, (c) also do the most routine jobs, or (d) everything else will take care of itself.

Employee - Employee Relations
(Questions & Answers continued)

a 7. In addition to doing the best work possible, it is important to (a) learn as much as possible about the company, (b) see what you can get on your boss, (c) keep up on the latest gossip, or (d) be seen and not heard.

b 8. The right to think and act as individuals (a) is not, (b) may be, or (c) is--normally shared by most people.

b 9. The statement that "retailing is people" is (a) not true, (b) only part true, or (c) all true.

c 10. Which of the following is not a desirable trait of an employee? (a) sense of humor, (b) tact, (c) indifference, or (d) initiative.

c 11. Exploiting others for gain is (a) desirable, (b) okay if you can get away with it, (c) undesirable, or (d) not too bad.

c 12. When one is criticized by a superior, it is best to (a) act indifferent, (b) tell him to do it himself, (c) take it constructively, or (d) shrug it off.

c 13. Loyalty includes (a) working hours only, (b) both the time to and from work, (c) all the time, or (d) just when you feel like it.

c 14. To approach a job with enthusiasm, it is necessary to (a) fool the boss, (b) impress your co-workers, or (c) be glad to be part of the team.

c 15. It is not necessary for an employee to be friendly as long as he/she (a) does the job, (b) gets to work on time, or (c) none of these.

d 16. When an employee has a question, it is best to (a) perform the job as he/she thinks it should be performed, (b) wait and ask when it is convenient, (c) not bother the boss, or (d) ask the question when it arises.

a 17. When joining a clique, the employee has (a) chosen sides, (b) helped himself/herself, (c) joined the "in" group, or (d) become a member of the team.

a 18. A good way to get along in a new job is to (a) be willing to learn, (b) impress co-workers with knowledge, or (c) ask the boss.

b 19. To show a willingness to work means to (a) work as hard as possible, (b) be willing to perform any job assigned, or (c) work harder than co-workers.

b 20. The importance of expressing appreciation verbally and by actions to fellow workers (a) will not improve relationships, (b) is greatest when employee is new to the job, (c) is of little importance, or (d) is just on the surface.

__d_21. An employee should call co-workers (a) by their first names as soon as possible, (b) by their nicknames to show that he/she is part of the group, (c) by their last names only, or (d) by their proper names until becoming well acquainted or being told differently.

__c_22. If good judgement and ethics are used, the employee will have (a) everyone liking him/her, (b) a few friends, (c) a better chance of being well liked, or (d) the reputation of being an apple - polisher.

__c_23. The people from whom an employee can learn the most about the job and company are (a) the boss, (b) best friends, (c) those who show an interest in the employee, or (d) the ones the employee eats lunch with.

__a_24. Human behavior is usually (a) pretty easy to understand, (b) not too predictable, or (c) easy to predict.

__c_25. An employee's business morale is (a) beyond the employee's control, (b) a matter for the boss, (c) each employee's responsibility, or (d) unimportant.

Information Sheet
on
EMPLOYEE - EMPLOYEE RELATIONS

When a person comes in contact with another, either on the job, at school, or in the home, personal relations between the two people become a factor. During any day's normal activities a number of personal relationships are normally involved.

It has been said, "A person is a part of every person met." A person who does not share experiences with someone else is a rather rare individual. Through the sharing of experiences with other people, one learns how they react to different situations and is able to cope with the situations. A basketball team might be used as an example. Through concentrated practice and the playing of games, the team members know how each member of the team will react to a certain situation. Each member of the team knows what is expected of him/her and what to expect of the other members. The same concept applies to people who work together.

Cooperation of employees in an agricultural business is similar to the playing of a basketball game. Each employee has a task to perform and is aware of the tasks to be performed by other employees. However, all activities must be coordinated and each member must perform the assigned task (work as a team). Otherwise, the production potential will not be accomplished. When closely guarded, the guards may have difficulty bringing the ball into the back court and getting it into the front court without the cooperation of the high post players. A cooperation relationship is required to produce points and win the game.

Emotions and attitudes affect the productivity of employees, as well as basketball teams. It is possible for one employee with a negative or disgruntled attitude to influence one or more members in an employee group and reduce the production of the entire group, whether it be sales, service, or manufacturing. Most any group will have one or more such individuals. Although this individual needs the friendship of others, employees must guard against his/her influence. In fact, an attempt should be made to improve the attitude of the disgruntled member(s).

The place of employment is either better or worse because of each employee. Very few individuals have a "neutral" personality. An employee either adds to (magnifies) the problems encountered on the job or reduces them. Everyone lives in a "sphere of influence," which changes as one ages. While quite young, the sphere is the home environment. When entering school, the sphere is broadened and is broadened further after graduation and becoming employed. A person affects and is affected by those with whom he/she comes in contact. The sphere is pivotal. Friendship, respect, admiration, and self esteem are some of the rewards of a positive influence.

It is especially important that an employee have a good relationship with other employees. Most employees spend the working hours working with others. As the cogs in gears must mesh together without friction, so must each employee fit into a place in an organization without friction with others. This does not mean that people are mere cogs, but it means that on-the-job performance can be ruined by personality clashes. An employee cannot be an individualist in most employment situations. The employee must learn to work in and as a part of a group. When machinery begins to get hot due to friction, a cooling fluid, such as a lubricant, is poured on it. Sometimes it is necessary to let the machinery cool. When friction develops between people, the best lubricants are consideration, tact, understanding, and fairness. It is also necessary to allow some people a "cooling off" period before attempting to act.

Probably most people would like to be considerate, fair, tactful, respectful, and well-liked; but many people do not know how to react to situations in order to demonstrate these traits. The students' accurate answers to the following questions will help them identify areas in which improvement is needed.

1. Are you willing to help others ?
2. Are you willing to meet people half way to be friendly ?
3. Do you become irritable or show annoyance when slight changes or mistakes occur ?
4. Do you try to be fair ?
5. Do you bear grudges ?
6. Are you willing to give the other person the benefit of doubt if you suspect his/her motives ?
7. Do you dwell on the good qualities of a person rather than the bad ?
8. Do you consider only your interests ?
9. Do you take yourself or your work too seriously ?
10. How much do you value your integrity and character ?
11. Can you accept authority ?

TOPIC: SOCIAL SKILLS

OBJECTIVE: To emphasize to the students the importance of and necessity for developing social skills.

REFERENCE: Information Sheet, "Social Skills"

STUDENT ACTIVITY:

Students are asked to react to the hypothetical situations given below:

Situation No. 1 - After purchasing a pair of shoes in a large family center store, Joe stopped in the hand tool department to look at the tools. A salesman approached Joe and said, "May I help you?" Joe replied, "No thanks, I'm just looking." The salesman said, "If you should find anything you like, I will be glad to help you. My name is William Brown." The salesman walked away, and Joe continued browsing down the aisle of tools. Soon another salesman approached and said, "Hello Joe, are you finding something you would like to buy?" Joe said, "I'm just looking." Joe continued browsing and came upon a sprayer he wanted to buy. He picked the sprayer up and started walking toward the second salesman. Upon seeing Joe, the second salesman said, "I'll be glad to write you a sales ticket for the sprayer." Joe paid for the sprayer and started out of the store. As he was leaving, Joe heard the first salesman say, "Well, that works both ways you know; some people had better be careful. I'll get the commission back from one of your customers."

a. Ask students to list ways in which the store might avoid this unpleasant situation for the customer.
    (1) The first salesman could have stayed close enough to Joe to be ready if and when a purchase was made.
    (2) The salesmen could have an agreement, with the approval of management, that the commission goes to the first salesperson approaching the customer.

It is important that problems within the business not involve the customer. The remarks overheard by Joe may prevent his returning for other purchases.

Situation No. 2 - A customer entered the garden store to purchase some seed. She did not know exactly what she wanted and asked several questions similar to the following:

1. How early are these planted?
2. Do they freeze well?
3. What kind of fertilizer should I use?
4. Are there others you would recommend?

The salesperson had difficulty in satisfactorily answering many of her questions, so the lady said, "I guess I will purchase the seed later." As she was leaving the store, she overheard the salesperson remark to another

Social Skills
(Student Activity continued)

clerk, "I wish people would make up their minds as to what they want before coming in here."

- a. What will be this lady's attitude toward the store?
- b. Will she return to make purchases?
- c. If you were the owner or manager, what would you think of the employee's statement?

Customers are the life-blood of a business.

SUGGESTED TEACHER ACTIVITIES:

1. Lead discussion in class on the two situations given and answer questions following each situation.
2. Lead class discussion of questions.

QUESTIONS AND ANSWERS:

1. What are the two guideposts for acquiring social skills?
    - a. The first pertains to the individual. Strong and weak points should be determined, limitations admitted; and the individual should start immediately to correct and improve social skills.
    - b. The second guidepost deals with other people. A person should develop a genuine interest in other people, appreciate their views, and be considerate toward them.

2. Define popularity.
   Being liked and admired by others. Popularity requires social skills.

3. What is meant by the statement, "Everyone is a salesperson."?
   Everyone either sells goods or services. When applying for a job that requires certain skills, the applicant is selling those skills. To be successful, one must be a good salesperson.

4. Why are customer - employee relations important?
   A good customer - employee relationship impresses the customer and is responsible for repeat sales. Most businesses cannot survive without repeat sales, and customers are the life-blood of a business.

Information Sheet
on
SOCIAL SKILLS

A common problem among students, as well as many other people, is the gaining of good will from other people. Because of this problem, some people contend that they do not like to associate with people; and even some people have made the statement that they could care less what others think of them. While there possibly are some people who definitely do not like people as a whole, usually such remarks are made by those who are dishonest, or they just will not admit to themselves that they like people. Normally these statements are made by people lacking social skills.

To be liked and admired by others requires social skill. In fact, popularity is really based on social skills. While social skills should not be confused with superficial tricks such as smiling at everyone and "yes-ing" other's comments, they can be learned by following certain rules and through practice, which may be called guideposts for this discussion.

The first guidepost pertains to the indivudual. The students should look at themselves, ask the following questions and answer them honestly: What am I like? Am I shy, eager and blundering, argumentative, or antagonistic? Should the students be deficient in any of these areas, they should admit their limitations; and start immediately on correcting and improving them.

The second guidepost deals with other people. It points to developing a genuine interest in others, in having an appreciation for their views, and in being considerate toward them. Simply stated, this guidepost requires as much taking as it does giving.

Although only a few simple factors are stated under each guidepost (more should be considered), their application and practice will improve most students' social skills. The application of social skills might be compared to learning to swim by reading a manual on swimming. It would be impossible to learn to swin in this manner, but by applying the basic strokes in practice, one will learn to swim in a shorter period of time.

EVERYONE IS A SALESPERSON

After considering the above statement, "Everyone is a salesperson," the students will probably agree that the statement is true. All people either sell goods or services, which may be their own or someone else's. A person who applies for employment which requires a particular skill is actually trying to sell the skill to the employer. To be a good salesperson, one must understand the principles of selling, which require the use of social skills. A lack of this understanding may result in failure, even though the skills required on the job are possessed.

Generally, when selling is considered, one thinks of selling tickets to a ballgame or magazine subscriptions for an FFA fund drive; but in reality, the FFA officers sold themselves when they ran for office. Their social skills probably were the reason they were elected, rather than their opponents.

RELATIONS WITH CUSTOMERS

In order to sell the goods and/or services offered by most businesses, the salesperson must deal directly with the customer. Customer-salesperson relations are very important and depend to a great degree on the salesperson's social skills. Although a good, quality product is also important, a good relationship impresses the customer and is responsible for repeat sales. Since most businesses cannot survive on transit customers to stay in business, repeat sales keep the business viable.

Most everyone has heard the statement, "The customer is always right." Taken literally, this could cause difficulties for a business; but it expresses a philosophy which is important to customer-salesperson relations and the firm. Businesses are for the benefits of the customers, rather than for the benefit of the business; although both benefit.

TOPIC: SOCIAL RELATIONS

OBJECTIVE: To impress upon the students the importance of social relations and to provide them with information that will help them become socially mature.

REFERENCE: Information Sheet, "Social Relations"

STUDENT ACTIVITY:

Students should read the information sheet and be prepared to discuss questions six through 12 in class.

SUGGESTED TEACHER ACTIVITY:

Direct the class in a discussion of questions six through 12.

QUESTIONS AND ANSWERS:

1. What are indications of a socially mature person?
   The socially mature person enjoys being with people, participating in groups, and being active in organizations. He/she also cares for own personal needs.

2. List the two principal factors that make up one's personality.
   a. Physical characteristics
   b. Mental attitudes

3. How may physical characteristics affect one's opportunity of displaying mental attitudes?
   Projecting an unfavorable physical impression may prevent the opportunity of proving mental attitude. Physical characteristics also influence the performance of everyday activities.

4. List some tips on selecting clothes.
   a. Clothes should not be purchased on impulse, unless styles and values are known.
   b. Students should seek counsel of people who are knowledgeable about clothes.
   c. Clothes should be purchased for specific occasions generally.
   d. Clothes worn influence acceptance by groups and associates.

5. Answer questions on rules of introduction:
   a. How should a high school student (male) react when introduced to a lady?
      He should stand and smile. If lady extends hand, he should extend his.
   b. How is an introduction acknowledged?
      By stating "How do you do?"

c. In what order should people in a group which includes ladies, men, and a distinguished person be introduced?
Introduce the distinguished person first, then ladies, older persons, and younger persons.

6. List some factors that make up a good mental attitude. Discuss each factor.
   a. Pleasantness or cheerfulness
   b. Interest
   c. Agreeableness
   d. Sportsmanship
   e. Dependability
   f. Balance

7. Should books and other items be loaned or borrowed from friends?

8. How much responsibility does one have for another's property, for public property?

9. What can an individual do to protect others' property?

10. What responsibility does one have to a person who has loaned tools?

11. Is it permissible to borrow tools without asking for the owner's permission?

12. Should articles be taken to the "Lost-and-Found"?

Information Sheet
on
SOCIAL RELATIONS

A socially mature person finds a certain amount of satisfaction in being with people and enjoys participating in group activities. According to sociologists, the average socially mature adult holds membership in several organizations and has some responsibility in their activities. Becoming active in the activities of an organization is one means of expressing recognition of others. Although the assuming of responsibilities in an organization is a good way of developing socially, a person must not allow others to take advantage of his/her willingness to serve. For this is one way to backslide down the ladder of social maturity. While a person should be interested in others, each individual has a certain amount of responsibility to himself/herself.

An individual's personality is made up of two principal factors, physical characteristics and mental attitudes. Physical characteristics are observed first when one person looks at another. All have heard the truism, "first impressions are lasting impressions." An unimpressive physical appearance, such as drooping shoulders, sloppy clothing, or lack of grooming, may prevent someone from ever having the opportunity of observing a person's true mental attitude. Projecting an unfavorable physical impression may prevent a prospective employee of the opportunity to prove himself/herself.

Young people often resent elders reminding them to throw their shoulders back and of the importance of personal grooming, but these important physical characteristics are easy to overlook. These are particularly important in making a pleasing appearance. The above is probably best stated in the television commercial, "Even your best friends won't tell you."

Physical characteristics and physical well-being also influence the performance of everyday activities. To impress people and to perform well, good health and a strong body are essential. Good health requires a proper diet, sufficient exercise, rest, sleep, and adequate medical care. Neglect of any of these is likely to result in inefficiency in work and play, and greatly affect social relations.

The clothing worn, or the way one dresses, has an influence on acceptance by groups and associates. Most everyone has noticed that the people making up a group wear similar clothing. Impulsive purchases of clothing should not be made unless the person is familiar with styles and values. Since many high school students are not knowledgeable in these areas, they should consult with people that are. After receiving counseling on clothing the students should be reminded that the occasion for which the clothes are to be purchased is very important. However, few people are financially able to purchase clothing for only one occasion. Therefore, when purchasing clothing, the several occasions in which it will be worn should be kept in mind.

A person's mental attitude also encompasses a number of factors. Some of the factors making up a good mental attitude are listed and discussed below.

1. Pleasantness or cheerfulness - Most people enjoy associating with someone that is pleasant. A pleasant attitude is revealed by making pleasant statements, which requires pleasant thoughts. Generally, people are not interested in another person's problems. To be pleasant might require practice. Also mental discipline may be required to suppress unpleasant thoughts.

2. Interest - A sincere interest should be shown in other people, rather than superficial or polite attention.

3. Agreeableness - A socially mature person is aware that his/her plan will not always be adopted. Maturity is indicated by being agreeable to others.

4. Sportsmanship - This means courteous relations. If a stunt is on a person, even though it is thought to be silly, the person should be a good sport and not spoil the fun for others.

5. Dependability or trustworthiness - If committed to something, a person should see that it gets done. If told something in confidence, it should not be repeated.

6. Balance - This refers to a balance of friendships (all social levels), interest, work, play, and rest.

INTRODUCTIONS

An area in which people often feel socially inadequate is introductions. Following the simple rules listed below will build confidence in this area.

Being Introduced to others

1. Smile while being introduced.

2. Look the new acquaintance in the eye when extending hand.

3. Grip the new acquaintance's hand firmly--no bone crushing, but not "dead fish" either.

4. Ask person being introduced to repeat his/her name if it was not understood. No one enjoys having his/her name mispronounced. It is proper to correct someone if a name is mispronounced.

5. Acknowledge introduction with, "How do you do, Miss ____________________ or Mr. ____________________." Pleased to meet you or glad to meet you is improper at this time.

6. Boys and men should always rise to their feet when being introduced, even if to another male. The younger man should wait for the older man to extend his hand.

7. Men and boys should wait for women and girls to extend their hands. A man does not offer his hand to a lady when being introduced, but obliges her if she offers hers.

8. When being introduced in a group, one should wait until it is his/her turn before extending the hand.

9. After an introduction, a brief conversation usually follows. When a person is ready to leave, he/she should express pleasure for having made the new acquaintance. Examples are "I hope to see you again," or "I have enjoyed meeting you." The reply to these statements is "thank you."

10. Although this is not one of the rules, it will be helpful in remembering the name of a person if it is repeated several times during the conversation with the person.

Introducing others

1. When introducing people in a group, the first to be introduced is the oldest, most distinguished, or the ladies, then others are introduced.

2. The name(s) of the person(s) to be introduced should be clearly in mind before the introduction(s).

3. Name(s) should be pronounced distinctly and slowly.

4. People should be introduced in an easy, nonchalant manner.

5. A usual introduction is as follows: "Mr. ____________________, may I present Mr. ____________________."

6. After introduction, conversation cues should be given. An example is "Mr. ____________________, Joe Smith and I went fishing last summer."

7. When introducing a person to a small group of friends, the following procedure

may be used: "I want all of you to meet my friend Dick ____________________. Dick, this is Ruth, Sue, Al, and Johnny." Avoid pointing to the individuals as they are named.

TOPIC: YOU AND YOUR PERSONALITY

OBJECTIVE: To provide the students with an understanding of the term personality and to make them aware of the need for developing a pleasing personality.

REFERENCE: Information Sheet, "You and Your Personality"

STUDENT ACTIVITIES:

1. Read information sheet.
2. Contribute to class discussion on the questions.
3. Complete personality inventory.
4. Students should consider both desirable and undesirable personality traits, and each student should identify the traits that best describe him/her.

SUGGESTED TEACHER ACTIVITIES:

1. Lead class in a discussion of desirable and undesirable personality traits.
2. Lead class in a discussion of the questions given below.
3. Have students complete personality inventory.
4. Ask each student to consider both the desirable and undesirable personality traits and identify the traits that best describe him/her.

QUESTIONS AND ANSWERS:

1. What is meant by the term personality?
   Personality may have several definitions, but in general it is defined as the totality of an individual's behavior and emotional tendencies.

2. List three traits that determine personality.
   a. Life led, b. Interests, c. Ambitions

3. What are habits?
   An outgrowth of activities repeated often enough so that they are performed with little or no thought being given by the individual performing them.

4. How are conduct and habits related?
   Conduct is the result of habits usually learned early in life.

5. Why is it difficult for a person to evaluate his/her personality?
   Because the average person cannot be objective about himself/herself.

6. List the most common ways in which personality is evaluated.
   a. Voice and speech
   b. Appearance
   c. Behavior
   d. Emotional control
   e. Manners

7. What importance has been attached to personal traits with regard to job success?
   Most employers consider personality the greatest single factor in the success

or failure of an employee. Studies on personal qualities and job success have revealed that 85-90 percent of job dismissals are due to ineffective personal traits.

8. Upon whom does the necessity for behavioral changes rest and can personality adjustments be made?
The individual. Yes, through sincerity and conscientious effort.

Information Sheet
on
YOU AND YOUR PERSONALITY

The term personality is defined as the totality of an individual's behavior and emotional tendencies. It is an expression of what a person is and what a person does. It is the image expressed by each individual in everyday living--in the home, at school, on the street, at the office, in the theater, and in the seclusion of a room. It includes the things that are said, as well as thoughts, in the many situations that one encounters. Personality is reflected through a person's behavior and responses of other people to that behavior. Although ones's personality is shown in many different ways, it is most commonly judged or evaluated by others by voice and speech, appearance, behavior, emotional control, and manners.

A good method of developing a desirable personality is to observe people with which one comes in contact. Determine and adopt the admirable traits, while discarding the undesirable. No one has a perfect personality, but everyone has some desirable characteristics. High school students might observe their classmates, neighbors, and friends. Some may be drab and uninteresting, while others are joyful, vivacious, and friendly.

After observing friends, the student might make a mental note of their differences. No doubt that students have noticed that boys and girls enjoy being with some of their friends but shun others. What are the reasons for this? One does not want to imitate someone else, but desirable personality traits may be used by all. Students should examine themselves in relation to what they want to be and try to develop the traits admired in others.

PERSONALITY TRAITS

It is difficult for the average person to objectively evaluate his/her personality. However, by breaking one's personality into component parts and applying these parts, one may be able to evaluate himself/herself.

The type of life led, interests, and ambitions determine to a great degree a person's personality. To determine if the above statement is true, the students might consider these three factors in their self evaluations.

Habits are outgrowths of activities repeated often enough so that they are performed with little or no thought being given by the individual. Habits, good or bad, become fixed, and then the personality begins to form. Students should observe each of their habitual activities and determine the value of each. Then ask the question: Is the habit worth the effort, or does it contribute enough toward a desirable personality to continue the practice? Conduct is the result of habits usually learned early in life.

You and Your Personality
(Information Sheet continued)

Below is a list of desirable and undesirable traits. The desirable traits should be used in developing a personality.

Desirable Traits	Undesirable Traits
cooperative	stubborn
enthusiastic	selfish
adaptable	snobbish
friendly	sullen
refined, modest	crude, blunt
sincere, honest	self-satisfied
tactful	narrow-minded
vigorous, alert, industrious	lazy, slovenly
sympathetic	showy
open-minded, willing to learn	critical, unfair
punctual	too bashful, withdrawn
neat, clean	indiscreet, unwise
creative	careless, lax
good judgment	disrespectful toward superiors
self-confident	domineering, overaggressive
generous, unselfish	cowardly
courteous	impatient
dependable	

PERSONALITY INVENTORY

The questions in the personality inventory should be answered either "yes" or "no." The correct answers to the questions are given following the inventory.

Personality Inventory

_____1. Is there a tendency to argue when someone presents a point of view with which you disagree?
_____2. Are you completely trustworthy when handling someone else's money?
_____3. Do you begrudge the other person when he/she receives a promotion or receives something you do not have?
_____4. Do you usually want to share responsibilities with someone?
_____5. Are you easily discouraged?
_____6. Do friends have to request assistance before it is given?
_____7. Do you fail sometimes to express appreciation for favors?
_____8. Do you enjoy telling people that you dislike what you think of them?
_____9. Do you usually feel tired and dull?
_____10. Do you enjoy talking about yourself or things you have done?
_____11. Are you jealous when someone other than a friend is the center of attraction?

You and Your Personality
(Personality Inventory continued)

____12. Have you ever copied from someone else's school work?
____13. Do you have difficulty in devoting extra time and effort to your work when it is necessary to forego pleasure?
____14. Are you sometimes lax or fail to complete an assignment in school or when serving on a committee?
____15. Do you lose enthusiasm and ambition in the afternoons?
____16. Do you deliberately avoid assisting new people in their school work, in giving directions at school, and in meeting other people?
____17. Do you often go to great lengths to express gratitude?
____18. Would you rather quit a job than be criticized by an employer?
____19. Are you always cheerful when trying to "cheer up" a depressed friend?
____20. Are you inclined to tell a bigger story than the other person?
____21. Do you ever cross the street to avoid meeting people that are disliked?
____22. Do friends seldom trust you with their belongings?
____23. If you worked in a store and another employee, whom you knew rather well, wanted to exchange the lunch hour for a few days, would you object?
____24. Do you fail to seek advice from others in most of the things in which you are asked to do?
____25. Are you anxious for quitting time to arrive, or fail to start immediately a project known to take a long time?
____26. Do you avoid the responsibility of offering service and time for such organizations as the Red Cross, Community Chest, etc.?
____27. If a customer called attention to an error made in favor of the store, would you express appreciation to him/her?
____28. When friends and the people you meet are sad or unhappy, does this tend to make you unhappy?
____29. If you were working in a store, could you conceal your emotions if a customer asked to see 20 items and did not purchase any of them?
____30. Do you tend to exaggerate your abilities when talking to friends?
____31. Do you turn the radio or television off because of the program, even though others may be listening or watching?
____32. Do you often misrepresent the facts to friends or parents in order to be able to do something?
____33. Do you habitually eat in the presence of others without sharing with them?
____34. When buying clothing, do you ask other people's advice?
____35. Do you have difficulty performing a tiresome task for a long time without someone encouraging you?
____36. Do your parents and employer have to tell you everything they want done?
____37. Are you slow to show appreciation for courtesies because of a feeling of lack of obligation?
____38. Is it hard for you to refrain from whistling, stomping feet, or loudly applauding when asked to stop in assemblies, shows, or other public places?
____39. Do you have difficulty accepting valid criticism?

You and Your Personality
(Personality Inventory continued)

____40. Do you hesitate to offer services for something because you feel you might not perform the job correctly?
____41. Is it difficult to accept advice from a younger person?
____42. If you were selling feed that contained 60% wheat, and the customer asked if the feed was wheat, would you be telling the truth by answering yes?
____43. Do you share prized possessions or lend them to others?
____44. Do you have difficulty making hurried decisions without outside help?
____45. Do you delay doing things today that can be put off until tomorrow?
____46. Are you willing to give up your spending money for a worthy cause?
____47. Do you pass out compliments in the hope of receiving one?
____48. Is your undivided attention given to the teacher or preacher when attending church?
____49. Does the weather usually affect your disposition?
____50. Have you ever "invited yourself" to visit or go along with a group when an invitation was not forthcoming?

Yes is the correct answer to questions 17, 19, 27, 28, 29, 34, 40, 43, 46, and 48, while the correct answer to the other questions is no.

PERSONALITY AND JOB OPPORTUNITIES

Most employers consider personality the greatest single factor in the success or failure of an employee. A study of the application form of any business firm will show the importance management attaches to the kind of information that will indicate some of the personality traits of the applicant. The importance attached to personal characteristics in no way minimizes skill and training for a job. These essential qualifications are taken for granted. But if two individuals with equal skill and training seek the same job, the one with the better personal traits will very likely be hired.

Personality is as important in keeping a job as in getting one. Several studies, which have been conducted on personal qualities and job success, reveal that only 10-15% of workers who lost their jobs did so because of technical incompetence, while 85-90% were discharged because of ineffective personal traits.

The developing of good behavior patterns requires sincerity and conscientious effort. Each individual is responsible for important changes in his/her behavior. Shortcomings in relationships and personality faults can be overcome.

TOPIC: PERSONAL APPEARANCE

OBJECTIVE: To make the students aware of the importance of personal appearance and ways in which appearance can be improved.

REFERENCE: Information Sheet, "Personal Appearance"

STUDENT ACTIVITIES:

1. Read the information sheet and be prepared for class discussion of the questions.
2. Complete the form, "Self Analysis of Physical Characteristics."

SUGGESTED TEACHER ACTIVITIES:

1. Lead class discussion of the questions.
2. Ask students to complete the Self Analysis of Physical Characteristics.

QUESTIONS AND ANSWERS:

1. What is meant by personal appearance?
   Personal appearance includes facial expression, posture, poise or self-control, and grooming.

2. Why is personal appearance important?
   Because it greatly influences the first impression. An unfavorable first impression may prevent further association with a person.

3. List factors that are important in improving appearance.
   a. Grooming and neatness, b. Posture, c. Clothing

4. Describe self-control.
   Self-control is the physical side of tact and promotes poise. The person who consistently practices and has self-control will always be in a better position to make a favorable impression in business situations.

Information Sheet
on
PERSONAL APPEARANCE

The importance of an individual's personal appearance cannot be overemphasized. When being introduced to a new acquaintance, the impression projected (favorable or unfavorable) is greatly influenced by personal appearance. It has been said that the first ten seconds that one is observed by another person and the first ten words spoken to this person have a greater influence than the entire remainder of the association. This, of course, is not entirely true. However, in business, if a favorable impression is not made at the time of introduction, there may not be an opportunity for later transactions.

A pleasing personal appearance does not mean that the man has to be handsome or the woman beautiful. Nor does it mean that a person has to be large or small, thin or fat to make a good appearance. The important thing is to make the best use of physical appearance.

A pleasing personal appearance is particularly important when applying for employment, as personnel officers and business executives are experienced observers. It is also an asset to people in leadership positions, salespersons, and others whose employment involves personal contacts and human relationships.

Personal appearance includes facial expression, posture, poise or self-control, and grooming. Listed below are factors to consider in improving personal appearance:

1. Grooming and neatness. Under grooming, all parts of the body should be kept clean, and the hair should be combed. The clothes should be clean and wrinkle free. Shoes should be shined.

2. Posture. This includes standing, walking, and sitting. Head is held up, and shoulders are held straight and slightly backward. One should walk, stand, and sit erect. Good posture is also desirable from the standpoint of good health. An erect posture raises the diaphragm which provides more space for vital organs to function, thus stimulating circulation.

3. Clothing. Good taste should be used in selecting and purchasing clothing. They should fit and be kept clean and pressed. Clothing should be worn to fit the occasion.

Self-control and the ability to control emotions and actions on first impulses are of utmost importance in business situations. Self-control is said to promote poise, and poise is said to be the act of raising the eyebrows instead of the roof. Self-control is the physical side of tact. The person who consistently practices and has self-control will always be in a better position to make a favorable impression in business situations.

Personal Appearance
(Information Sheet continued)

SELF ANALYSIS OF PHYSICAL CHARACTERISTICS

Frequently other people are offended unknowingly. The list below was compiled after asking numerous people to respond to the question, "What physical traits keep people from presenting a good appearance and, hence, hurt their personalities?" This list is also contained in the "Student Workbook - Agriculture Cooperative Training." Students should be requested to complete the chart by placing a check mark before each characteristic that applies to them.

Self Analysis of Physical Characteristics

_____Dirty fingernails

_____Dirty hands

_____Beard

_____Yellow or unclean teeth

_____Ragged fingernails

_____Soiled underclothes

_____Unshined shoes

_____Body odor

_____Inappropriate clothes

_____Stoop shoulders

_____Hair not combed

_____Broken shoestring

_____Clothes fitting poorly

_____Dirty collar and cuffs

_____Visible blackheads

_____Pimples on face

_____Dirty neck

_____Dirty ears

_____Dirty shirt

_____Baggy trousers

_____Dirty, dusty shoes

_____Halitosis

_____Too few baths

_____Awkward posture

_____Greasy skin

_____Buttons missing

_____Dirty handkerchief

_____Run-over heels

_____Greasy hair

_____Dirty scalp

_____Dandruff

_____Hair too long

Number of checks__________.

Five checks or less - Neater and better groomed than the average high school student.
Five to ten checks - Improvement is needed.
Ten to fifteen checks - Drastic action is needed. Each of the above is a defect in personal appearance in the eyes of other people. Each defect can be eliminated.

TOPIC: GOOD GROOMING

OBJECTIVE: To acquaint the students with the importance of good grooming and factors of grooming.

REFERENCE: Information Sheet, "Good Grooming"

STUDENT ACTIVITIES:

1. Read information sheet and discuss questions.
2. Complete good grooming check list.

SUGGESTED TEACHER ACTIVITIES:

1. Lead class in a discussion of the questions listed below.
2. Ask students to complete good grooming check list.

QUESTIONS & ANSWERS:

1. Why is it important for a person to be well-groomed?
   It improves appearance and is related to good health. A well-groomed person is accepted more readily by friends and business associates, and good grooming provides a certain amount of self confidence.

2. Does good grooming help one in getting and holding a job?
   Very definitely

3. What is good grooming?
   It refers to cleanliness of body and cleanliness and neatness of clothes. Also included is a healthy appearance and a good attitude.

4. Do students think that good grooming prevents them from getting dates?
   Class discussion

5. What part does good health play in good grooming?
   A well-groomed person presents a healthy appearance. Proper diet and exercise contribute to good health.

6. Why is attitude considered a part of good grooming?
   A person can be well-groomed and still make a poor impression. The absence of a friendly, genuine smile can over-shadow a well-groomed person. Also slumped shoulders and hands in pockets project an unimpressive appearance.

Information Sheet
on
GOOD GROOMING

Good grooming refers to cleanliness of body and cleanliness and neatness of clothes. Grooming is important because it improves appearance and is directly related to good health. Several essentials of good grooming are discussed below:

Bathing - The well-groomed person is clean most of the time and takes one or two, if necessary, baths or showers a day. In addition, those who perspire heavily or whose diet produces a strong perspiration odor should use a strong deodorant. The use of a deodorant, however, does not replace a thorough, daily bath.

Hands - Although some men and boys feel that hand care is not important, they are often the first physical attributes observed. Manual work is honorable, but the hands do not have to depict the type of work performed. Remember that hands are used for holding as well as greasing the car and catching a football. Fingernails should be kept clean; and if the hands are rough, a handcream should be used.

Feet - Seldom are men's feet seen, but they are important to good health. The feet should be thoroughly washed daily and dried to prevent fungus infections such as athlete's foot. Although most women have manicures, pedicures are often overlooked. Pedicures are a part of good grooming for women.

Hair - In addition to having hair follicles and oil glands, the scalp has a large number of sweat glands. Waste products of the body are often thrown off from the scalp, as well as from other areas of the skin. The frequency of shampoos is determined to some extent by the kind of work performed, but everyone should shampoo their hair at least once weekly.

Teeth - Cleanliness of teeth is just as important for good health as is that of the other parts of the body. Teeth should be brushed and gums massaged at least twice daily. Many of the foods eaten by people cause bad breath (halitosis), which is just as offensive as body odor. Some people should use a mouthwash as well as brushing their teeth.

Students should be made aware that a good attitude, as well as good grooming, is necessary for making a good impression. A good attitude includes a genuine smile and a good frame of mind. Along with the above, the body should be carried straight and erect. Slumped shoulders and hands in pockets produce an unfavorable impression.

No doubt students have heard that the package used to market a product greatly affects sales. This is also true when a person is trying to sell himself/herself. A well-groomed individual (package) is easier sold to friends and business associates. This apparently is in conflict with the thinking of some high school students.

Good Grooming
(Information Sheet continued)

A healthy appearance is an important part of the well-groomed package. Sallow skin, bloodshot eyes and lifeless hair are handicaps and do not make for an appealing package. Also, they are unnecessary and are not evident in a healthy person. A good diet will provide the energy needed for work and play, a trouble-free skin, and a healthy appearance.

Exercise and sleep are two other factors that contribute to a healthy appearance. Most high school students get enough exercise, but those few who do not should. Eight hours of sleep in each 24-hour period is a minimum for most people and is required to stay alert and healthy.

Another aspect of projecting a pleasing appearance is the face. The best face possible should be "put forward." For men this means shaving once daily or more often if necessary. Some young men do not shave daily because their beards are not heavy; however, straggling whiskers are just as unattractive as a heavy, unshaven beard. Women should remove superfluous hairs from their faces.

High school students should dress pretty much like other students in school. The reason for this is that they feel much better and are not subjected to ridicule when dressed according to customs of the school and community. Clothes worn on the job should be the same as the other employees performing the same task. When choosing clothes for an occasion, however, one should select those that will provide the best appearance for that particular occasion.

Good grooming is really not difficult once a person develops the habits and gets them established in his/her everyday life. Students will be surprised at the changes good grooming will make. A comfortable, well-groomed person has confidence and stands a "little taller."

GOOD GROOMING CHECK LIST

1. Teeth are brushed at least twice daily. ________
2. Hair is neatly trimmed. ________
3. Men are clean shaven; women have removed superfluous hairs. ________
4. Skin is healthy-looking. ________
5. Offensive breath is prevented. ________
6. Hands are clean and smooth. ________
7. Dress is suitable for chosen career. ________
8. Hair is washed regularly. ________
9. A bath or shower is taken daily. ________
10. An underarm deodorant is used daily. ________
11. Clothes are hung carefully after wearing. ________
12. Clothes are free of perspiration odors. ________
13. Shoes are polished and in good repair. ________
14. The wearing of poor color combinations is avoided. ________
15. The wearing of fashion extremes is avoided. ________

TOPIC: DEVELOPING GOOD MANNERS

OBJECTIVE: To impress upon the students the importance of good manners and to assist them in developing good manners and learning etiquette.

REFERENCE: Information Sheet, "Developing Good Manners"

STUDENT ACTIVITIES:

1. Read the information sheet and be prepared to discuss the questions below.
2. Complete the form entitled "Business Manners Analysis," which is included in information sheet.

SUGGESTED TEACHER ACTIVITIES:

1. Lead a class discussion of the questions listed below.
2. Lead the class in a discussion of the questions on the form, "Business Manners Analysis."

QUESTIONS AND ANSWERS:

1. Define manners.
   Manners are rules of social conduct and include behavior, courtesy, and politeness.

2. Define etiquette.
   A prescribed set of customs which are observed in social and official life.

3. Why are manners important?
   Because they reveal a lot about a person. They are the marks of a gentleman or a lady and reflect training. They will help a person advance socially and professionally.

4. What is the principal advantage of using good table manners at home?
   The person that uses good manners at home will develop the habit and will use them at social and business functions.

5. Why are customs usually changed?
   Customs usually change because they are no longer useful. Common sense sometimes causes a change if a particular custom is a handicap to comfortable living.

6. What is the purpose of good table manners?
   To prevent annoyances and distastefulness.

7. If the invitation to an open house stated a time of six to eight o'clock, when should guests arrive and how long should they stay?
   Anytime between six and eight o'clock. They should stay for about one hour.

Developing Good Manners
(Questions & Answers continued)

8. At what time should guests arrive for a card party or luncheon?
The guests should arrive about 10 minutes before the stated time for any function which is dependent upon a specific number of people.

9. Should refreshments be accepted by a guest who does not plan to eat them?
Yes, a well-mannered guest will accept refreshments when offered.

10. In addition to the host, the success of a party is dependent upon whom?
Guests.

11. With what groups will a well-mannered guest visit during a party?
A well-mannered guest will mingle with all of the guests.

12. What responsibilities does a guest have when leaving a party?
It is the guest's responsibility to express appreciation for the invitation and to sincerely compliment the host on the thing enjoyed most.

13. Under what condition does the man walk in front of the lady to a dining table?
When the headwaiter or captain does not show the couple or group to a table.

14. What are the two types of menus and explain each?
    a. A La Carte - each item ordered is priced separately.
    b. d' hote - price usually includes dinner.

15. What silverware is used first?
The silverware placed on the outside or farthest from the dinner plate.

16. How are beverages and food served?
Beverages are served from the right, while food is served from the left.

17. When is it permissible to reach for food?
When it is as close to the person desiring the food as it is to the person sitting nearby.

18. How is a large stem glass held?
With the thumb and first two fingers near the base.

Information Sheet
on
DEVELOPING GOOD MANNERS

Manners are rules of social conduct and include behavior, courtesy, and politeness. To be accepted and liked, a person must conform to certain customs. Manners are important because they reveal a lot about a person. They are the marks of a gentleman or a lady and reflect training at home. For these reasons, they should be practiced in everyday living. Etiquette and manners are normally thought of as synonymous terms, but they are different in some respects. Etiquette is a prescribed set of customs which are observed in social and official life. Both manners and etiquette are modified and changed with time.

In the late 19th century, a lady would not go out alone after dark, nor would she correspond with a man unless he was a member of the family. A male caller was sent home by 10:00 p.m. and was never addressed by his first name. Our present-day system of communications and the many changes in technology and society have caused changes in our way of life.

Generally customs change gradually over a long period of time. The reason why most customs change is that they are no longer useful. Common sense sometimes causes a change if a particular custom is a handicap to comfortable living. Today's customs will no doubt seem foolish to the people living in the 21st century.

Using good manners will help one advance both socially and professionally. It might be said that manners are a good horse to ride, as they will take a person where money will not.

There are a number of ways in which one may show good manners. Some are as follows:

1. Always be considerate of others - all persons should be given consideration regardless of their station in life.
2. Other's rights should be considered before considering own rights.
3. An expression of appreciation should be made and shown for favors received.
4. Show respect for everyone, regardless of their station in life.
5. Send expressions of thought on special occasions such as birthdays, other happy occasions, and sorrowful occasions.
6. Congratulate friends and acquaintances on their accomplishments, achievements, and promotions.
7. Help less fortunate people.
8. Perform special favors for others.
9. Learn, remember, and use names of people met.
10. Learn and use rules of etiquette.
11. Be courteous, kind, and polite in dealings, whether they be social or business.
12. Show appreciation to parents, friends, and associates for the opportunity of living, working, and associating with them.

Developing Good Manners
(Information Sheet continued)

Listed below are good manners and etiquette that are used on special occasions:

TABLE MANNERS

The purpose of good table manners is to prevent annoyances and distastefulness. Poor table manners can be a deterrent to social and business progress and should be constantly guarded against. Since most eating habits are developed at home, it is important that good manners be used in the home.

Since food is served at several different kinds of functions, etiquette is discussed for several different functions.

OPEN HOUSE AND COCKTAIL PARTIES

The invitation to an open house or cocktail party states the time, such as six to eight o'clock. This means that guests should arrive during the specified time. Guests usually should not stay for more than an hour. If the occasion is a luncheon, card party, or dinner party, or a function which is dependent upon a specific number of people, the guests should arrive about 10 minutes early. Arriving late would indicate a lack of good manners.

When refreshments are offered, a well-mannered guest will accept them, even if he/she does not eat or drink them. A truly well-mannered person will mingle with all of the guests, as well as the host.

Food, such as cake, served without flatware may be eaten with the fingers. Hot and cold items should not be placed directly on furniture. If coasters are not made available, they are held with one hand, or if they must be set down, they are placed on several layers of napkins. If the glass in which ice tea is served contains a spoon, after stirring the spoon is placed on the coaster.

When leaving a party, a guest has certain responsibilities. Unless one has to leave early, it is not necessary to bid other guests goodby. Appreciation should always be expressed to the hostess for the invitation, and the hostess should be complimented on the thing enjoyed most--food, music, games, etc. The compliment should be expressed with sincerity.

FORMAL DINNERS

Upon entering the establishment (restaurant, country club, etc.) for a formal dinner, males check their hats and coats. Females may or may not check theirs. The man, however, should ask the lady if she would like her coat checked.

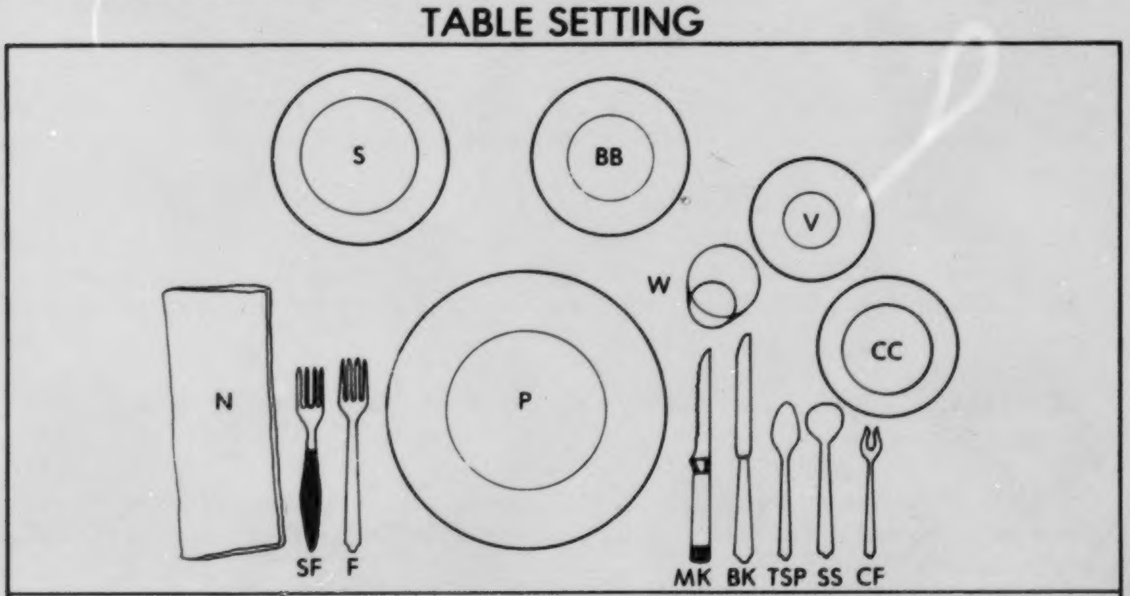
Developing Good Manners
(Information Sheet continued)

Upon entering the dining room, the headwaiter, captain, or maitre d' will ask the couple or party if they have reservations, or how many in the party. If the party is shown to a table, the women follow the headwaiter. If it is necessary for a man to find a table, the females follow the male. At a very large, formal dinner, the guests usually go to the tables in pairs. Escorting arrangements usually separate the husband and wife. When approaching the table, the man pulls the chair from the table and helps the lady get seated. The man also should open doors, light cigarettes, order food, and help the lady take off and put on coat.

TABLE SETTING

There are two types of menus, A la Carte (each item priced separately) and table d' hote, table of the host (price usually includes entire dinner). A choice of appetizer, soup, salad, entree, beverage, and dessert is normally given with the table d' hote. Entrees are ordered first and then the other items. Dessert and beverage are ordered last and after other food has been placed on table.

TABLE SETTING



KEY:
N: napkin
SF: salad fork
F: fork
S: salad plate

P: dinner plate
W: water glass
MK: meat knife
BK: bread knife
V: vegetable plate

TSP: teaspoon
SS: soup spoon
CF: cocktail fork
CC: coffee cup
B&B: bread and butter plate

Developing Good Manners
(Introduction Sheet continued)

The type of food served and formality of the dinner will determine the place setting. The silverware used first is always placed on the outside, while the napkin is always placed on the left of the dinner plate. The dinner napkin is half opened and placed in lap, while luncheon napkins are fully opened.

Beverages are served from the right, and food is served from the left. Eating should not commence until everyone is served. If there is a hostess, guests should stand until the hostess is being seated. Also the napkin is not touched until the hostess gets hers, and guests do not start eating until the hostess does.

Food should be eaten with the proper piece of flatware. The following rules should be helpful in selecting the proper piece.

1. Use flatware farthest from plate first.
2. Watch those eating nearby.
3. A fork is usually preferable to a spoon.
4. If a person still cannot determine the flatware to use, he/she should ask.

EATING DIFFERENT FOODS

Dry foods such as green onion, radishes, celery, cheese, crackers, corn-on-the-cob, bread, cookies, carrots, and others are finger foods when served without a serving piece.

When eating or drinking soup (soup may be drunk if it is clear and has very small solid pieces) crackers are eaten with the fingers. A spoon is used to remove the small solid pieces in the bottom of a soup bowl, or all of the soup may be eaten with a spoon.

Hot bread and hot rolls may all be buttered, while only a bite-size piece is buttered if the bread is cold.

Salad is served to the left and above the dinner plate. The salad plate is left where it was set when eating the salad. If lettuce is included in the salad, it may be necessary to cut it with a knife.

Unmasticable objects are removed from the mouth with the fingers. However, this should be done as inconspicuously as possible.

Salt, butter, and sauces and other food items in which food is dipped are placed on the side of the dinner plate. Food dropped on the table cloth is picked up and placed on the side of the dinner plate. Food particles should not intentionally be placed on the table cloth.

Developing Good Manners
(Information Sheet continued)

EATING MANNERS

When eating, only as much food as can be eaten and swallowed should be put in the mouth. Food is chewed with the mouth closed, and one should speak only when the mouth is empty.

It is permissible to reach for food when it is as close as it is to the next person. However, one should never reach across someone for food. Ask the person sitting alongside to pass the food. When someone asks for food to be passed, the person passing the food should not help himself/herself before passing. If for some reason a person has to leave the table, he/she should say, "Excuse me, please."

When seated at the table, the back should be kept fairly erect. It is permissible to place one elbow on the table, except when eating.

If one coughs an ordinary cough while at the dinner table, the mouth is covered with hands or napkin. If there are several loud coughs, caused by food in the windpipe, the person should take a drink of water and leave the table. This is done as quietly as possible and without asking to be excused.

If food is served and a person does not know how it should be eaten, he/she should watch the hostess, watch others, or ask.

Generally, at a formal dinner, all plates and silverware are removed before the dessert is served. Dessert silverware, a fork or spoon or both, is set, then the dessert is served. After the dessert is eaten, the silverware used is placed on the dessert plate. The same is true for salad, soup, and dinner silverware.

After finishing the meal, unused silverware remains as it was set; and the napkin, crumpled, is placed to the left side of the dessert plate.

HOLDING GLASSES

The size of a glass determines how it is held. A large stem glass is held with the thumb and first two fingers near the base of the bowl. Small stem glasses are held by the stem. Tumblers are held by their bases, while snifters are held in the palms of both hands. A drink should not be taken while food is in the mouth; however, it is permissible to drink water if after taking a bite of food it is too hot to swallow.

Developing Good Manners
(Information Sheet continued)

BUSINESS MANNERS

Good business manners must also be practiced by employees who desire to be promoted. The following will assist in analyzing one's business manners and will reveal areas where improvement is needed. A "T" is marked before the true statements and a "F" is used for false statements.

Business Manners Analysis

_____1. One should not criticize a person in the presence of others.

_____2. One should respect the feelings of others.

_____3. One should tell others of another person's mistakes.

_____4. One should become skilled in being sarcastic.

_____5. One should often make "wisecracks" to impress the boss.

_____6. One should never be friendly to strangers.

_____7. One should make strangers feel at home.

_____8. One should develop the habit of saying "Thanks," "Pardon me," "Excuse me," "Yes, Sir," "I'm sorry, ma'am," and similar expressions as appropriate.

_____9. One should avoid embarrassing other persons.

_____10. One should often impress others with one's intelligence and skill.

_____11. One should be a good listener.

_____12. One should be calm in times of stress when things go wrong.

_____13. One should never admit to an honest mistake.

_____14. One should develop skill in arguing.

_____15. One should be critical of the boss in the presence of customers.

_____16. One should often "straighten out" the boss to keep him well informed.

Developing Good Manners
(Information Sheet continued)

____17. One should control his impatience.

____18. One should treat the boss and older employees equally.

____19. One should "hear a person through" before making suggestions.

____20. One should open doors for a member of the female sex.

____21. One should remain standing when introduced to the boss who is seated, and only be seated when invited.

____22. One should develop a loud voice to attract customers.

____23. Customers like to be shown that they are wrong.

____24. One should recognize and compliment good work of others.

____25. Good business manners can become a part of anyone who tries to develop them.

TOPIC: IMPROVING CONVERSATIONAL AND SPEAKING ABILITIES

OBJECTIVE: To assist the students in improving their conversational and speaking abilities.

REFERENCE: Information Sheet, "Improving Conversational and Speaking Abilities"

STUDENT ACTIVITIES:

1. Read information sheet and be prepared to discuss questions.
2. Prepare a brief speech on some items of interest and present to class.
3. After class members make speeches in class, be prepared to offer suggestions on ways they can improve their speaking abilities.

SUGGESTED TEACHER ACTIVITIES:

1. Lead class in a discussion of questions.
2. Ask class members to prepare a brief speech on items of interest and assist students in improving their conversational and speaking ability.
3. Use a tape recorder to record speeches of class members and play tapes back to class. Ask students to suggest ways in which speeches may be improved.

QUESTIONS AND ANSWERS:

1. Why is it important that a person be able to carry on a good conversation? Ninety-nine percent of today's communication is carried on through the spoken word.

2. What are the two general types of conversations? Briefly discuss each.
   a. Business - generally deals with selling, supervising, etc. and often becomes a test of skill requiring an alert mind and decisive action.
   b. Social - To carry on a good social conversation, a person must have something to say and say it well.

3. What are the benefits of a social conversation?
   a. Make business friends
   b. Improve personality
   c. Learn about human nature
   d. Get new ideas
   e. Improve ability in leading conversation
   f. Develop tact in carrying on conversation

4. List three considerations of the wise business person before entering a conversation.
   a. Idea to be conveyed
   b. Tact used to convey thoughts
   c. Length of conversation

Improving Conversational and Speaking Abilities
(Questions & Answers continued)

5. What are the prime requirements for a good conversationalist?
To be well-read and well-informed

6. At what point is it wise to discuss controversial topics?
When there is evidence that they can be discussed without causing people to become argumentative

7. What is a skillful way of changing the subject during a conversation?
To ask a question which is in some way directly or indirectly related to the topic being discussed

8. How should a topic of conversation be changed?
It should be done tactfully and in such a manner that the person introducing subject does not realize it is being changed.

9. In what way may mannerisms affect conversation?
They may either improve or weaken the effectiveness of conversation.

10. How can a good listener affect a speaker?
A good listener will often inspire a speaker and will cause others to be attentive.

11. List physical factors contained in a speaker's voice.

a.	Tone	c.	Volume	e.	Inflection
b.	Pitch	d.	Rate of speech	f.	Emphasis

12. How does the tone affect a speech?
It greatly affects the importance a listener attaches to what is said. The tone of voice can cause the listener to place very little importance to an important statement.

13. Why is the rate of speech important?
The degree in which a speech is enjoyed is determined to a great extent by the rate of speech.

14. What is the basic purpose of a specific conversation?
This depends on the circumstances.

15. What cues can the speaker normally receive from the audience?
The able speaker can observe cues from the audience by watching facial expressions and body movements.

Improving Conversational and Speaking Abilities
(Questions & Answers continued)

16. List steps in preparing a speech.
    a. Determine goals.
    b. Determine main idea to be expressed.
    c. Main points are noted in writing.
    d. Preparation of main body.
    e. Plan introduction and conclusion.
    f. Go through speech orally (practice).

17. List ways in which rapport may be established with an audience.
    a. Speaker walks to the platform or lectern with quiet assurance.
    b. Speaker stands quietly before beginning.
    c. Speaker looks directly at audience.
    d. Speaker is friendly and pleasant.
    e. Introduction is graciously acknowledged.
    f. Pleasure is expressed for the opportunity to speak.
    g. Matters of local interest are referred to.
    h. A response to the mood of the audience is made.
    i. A circumstance in which the audience is aware is included in comments.

Information Sheet
on
IMPROVING CONVERSATIONAL AND SPEAKING ABILITIES

The importance of being able to carry on an intelligent conversation is emphasized by the fact that 99 percent of today's communications are carried on through the spoken word. Good conversation involves at least two people and might be compared to a tennis game. If the conversational ball is not returned, or if an effort is not made to return it, there is no conversation. The person failing to return the ball is out of the game.

Conversation is an exchange of ideas, giving and taking, which is used for the purpose of providing information, entertainment, and persuasion. The purpose of a specific conversation will depend upon the circumstances. A business conversation dealing with selling, supervision, etc. has quite a different tone from the average social conversation. The two types, however, cannot be separated because they are of equal importance; and many business transactions are conducted at social functions.

There are some benefits derived from participating in a good social conversation. Some are the (1) making of business friends, (2) improving of the personality, (3) learning about human nature, (4) getting of new ideals, (5) improving of ability in leading conversation, and (6) developing of tact in carrying on a conversation.

Considerable thought is given by the wise business person before engaging in a conversation. Such factors as idea to be conveyed, tact used to convey thoughts, and length of conversation are considered. Business conversation often becomes a test of one's skill and requires an alert mind and decisive action.

The chief purpose of social conversation is entertainment or pleasant pastime. The requirements of a good conversationalist are to have something of interest to say and say it well. Social conversation should be informative and interesting and move toward a climax.

A good conversationalist is sensitive to the listener and is able to adapt to the listener's interest. It has been said that to be an impressive conversationalist, a person must realize that the "con" means with, not to. Stated in another way, a good conversationalist does not monopolize the conversation. He/she listens as well as talks. The prime requirements for being a good conversationalist are to be well-read and well-informed. Topics of discussion often develop from the predominant interest of the present moment.

It is a good idea when a person is aware that a group of people are going to be together to plan the topics for conversation. This does not have to be a written plan, but it should be given careful consideration and organized well mentally. Failing to plan the conversation would be similar to planning a dinner party without considering the menu.

Improving Conversational and Speaking Abilities
(Information Sheet continued)

Usually, it is wise to avoid discussing controversial topics until there is evidence that such subjects can be discussed without the people involved becoming argumentative. Also, one should be alert to changing the subject when discussion lags. A skillful way that may be used to change the subject is to ask a question which is in some way directly or indirectly related to the topic being discussed. When the topic of conversation is changed, it should be done tactfully and in such a manner that the person who introduced the original topic does not realize it has been changed.

Behavior patterns of speech or body movement, commonly referred to as mannerisms, can improve or weaken the effectiveness of a conversation. Nervous twitches or other undesirable behavior patterns can cause the listener to become more concerned with the mannerism than the point being presented. All motions should not be eliminated from one's behavior pattern, but only those that tend to increase liveliness and provide animation are important to an effective conversation.

Also important to a good conversation is a good listener, for without attentive listeners, one cannot ask or answer questions intelligently. A good listener will often inspire the speaker and will cause others to be attentive. A good listener has an alert mind, watches the speaker, and considers his/her responses.

Up to this point, the discussion has dealt with conversation among a small number of people. Since many of the factors in conversing with small groups and public speaking are similar, the following discussion on public speaking has been included.

A number of physical factors are contained in the speaking voice. These are tone, pitch, volume, rate of speech, inflection, and emphasis. A discussion of each is given.

Tone refers to the modulation of the voice when expressing an idea. A tone in music is when the instrument is tuned to key. No two people have the same tone, and there are about four octaves difference between the voices of males and females. The tone of the voice greatly affects the importance a listener attaches to what is said. In fact, the tone of voice can cause the listener to place very little importance on an important statement. The mental and emotional attitudes of the speaker are projected to the listener by the tone of voice. Good posture is important to the tone of voice because voice tone and control depend upon a constant air flow through the lungs. The tone of voice should be varied during a talk.

Pitch is the height or depth of the tone. Most people speak with a medium or low pitch; however, there are differences in pitch of the voices of boys, men, girls, and women. Pitch should be maintained at a pleasant level.

Volume refers to the intensity and loudness of the voice. The volume is regulated by the amount of air passing through the speech organs and mouth. A loud shout at a sporting event is an example of volume. Varying the volume will help the speaker in placing emphasis on a word or words.

The rate of speech is a combination of timing, phrasing, and rhythm. Punctuation marks in a speech are designated by pauses. Pauses are used in phrasing a speech to produce a pleasant rhythmic pattern. The degree to which a speech is enjoyed is determined to a great extent by the rate of speech. Speaking too slowly annoys the listeners, while speaking too fast decreases comprehension. If possible, the speaker should adjust the speech to the listeners' tempo.

Other factors influencing the effectiveness of a speech are pronunciation, enunciation, diction, and vocabulary.

Most everyone can improve their speaking ability. Principles of public speaking are given below:

1. The able speaker is an able person. Communication involves both reasoning and feelings. The able speaker both thinks and cares. The attitude is one of friendly good will, a desire to help, inform, or inspire. If a speaker is apologetic, immature, or self-deprecating and if he/she does not believe in himself/herself and the message, the listeners will lack confidence in what is said.

2. The able speaker thinks rationally and creatively. Reason and imagination are used, and listeners view the able speaker as having good judgement, good sense, competence to speak on the subject, and a healthy perspective of himself/herself.

   The first task in developing into a good speaker is to become worthy of being listened to. This means preparing good materials, listening to good speakers, and working on delivery.

3. The able speaker's immediate purpose is to communicate ideas and feelings to the listeners. Communication is the transfer of meaning. The speaker is aware of the audience's response, and is able to read the many clues given by the audience.

4. The able speaker's basic purpose is to relate to the listeners in order to achieve some goal. Communication is a means and not an end in itself. The speaker communicates to the listener to get something done. It may be to share information, solve mutual problems, relax tensions, or inspire improved performance. The purpose of a speech should be considered before it is given.

5. The able speaker makes an accurate analysis of the speech situation and adapts the speech to it. No two speech situations are ever identical, and the able speaker makes a quick analysis of the situation. He/she begins by analyzing himself/herself by asking the questions: Am I prepared? Am I enthusiastic about the subject? What will the audience's reaction be to the subject? How will factors such as time, length of program, and meeting room influence the situation; and does the audience have an interest in the subject or will an interest have to be created?

6. The able speaker achieves an effective speech style through the integration of language, vocal expression, and bodily action. Every speaker has a distinctive style which reveals more about the speaker than he/she usually realizes. An insecure speaker uses impersonal language and speaks in a monotone. Because of the fear of the audience, the style becomes a shell in which he/she withdraws from the audience. Most of the time when an audience disagrees with the speaker, it is not because of unreasonable statements but because of an irritating voice or manner. The speaker must adapt his/her style to the audience.

7. The able speaker is a good listener. Listening is hard work and requires an active effort to see the subject from the speaker's frame of reference. Listening is an attempt to understand the speaker's feeling and share his/her experiences. Oftentimes, one is not listening, but is preparing objections and counterarguments. In fact, many conversations are not conversations at all; it is two people carrying on a frequently - interrupted monologue. Each participant merely pauses and pretends to listen while waiting to continue the chance of talking about a favorite subject.

   The able speaker observes the audience as the speech is given. Facial expressions and body movements are watched for cues. These will indicate interest and attention. The able speaker can discriminate between the frown that indicates "You're making me think hard" and the frown that indicates "You're all wrong."

ANALYZING THE SPEECH SITUATION

In order to persuade an audience, the speaker must understand how it feels, what is wanted, and what is needed. A speech must begin with the listeners; otherwise, it is a waste of time. The greatest artists of persuasion are those who understand people because they genuinely like them. No technique can substitute for a sincere concern and respect for other people.

The effective speaker is objective, thinks in terms of the audience, and tries to understand the audience's point of view, biases, prejudices, tendencies, needs, values, habitual modes of thinking, range of information, social background, and environment.

In fact, everything that may have an affect on the attitude of the audience is considered.

Since people in groups do not think and act the way they do as individuals, a group is said to have a personality. People in a group interact; they combine similarly to chemicals to produce a different substance. The speaker needs to be able to sense the personality and temperament of the group being spoken to.

A good speaker must be flexible and able to adapt to the situation. In spite of efforts to be prepared, a speaker may find that the audience's attitude is not what was expected. The speech may have to be cut in half. A person called on to say a few words may have spent 30 minutes saying them.

The effective speaker will adapt, watches the faces in the audience, feels the psychological currents, and notices attentiveness. Words, quotations, and illustrations used are within the range of the audience's experience and interest.

STEPS IN PREPARING A SPEECH

It is assumed that most speeches will be of a business nature and are dictated by need. The problem generally will be to analyze the subject and make it interesting. The importance of the situation should not be underestimated. A misrepresentation of meaning during the most informal talk can cause serious management problems. The following steps may be used in preparing a speech:

1. Determine goals. The precise end results must be formulated in advance of the speech. The goals should be written in complete sentences. This will help in selecting materials and organizing ideas.

2. Determine main ideas to be expressed. The sentences will be a generalization or summary of talk. For example, a speech to a group of young people about a career in business might be a goal stated: "I want to clear up some misconceptions about business and make audience feel that it can be an exciting and challenging life." The thesis sentence then would be, "For real excitement and challenge, choose a career in business management."

3. The main points are noted in writing. The thesis sentence causes the audience to ask the question, "Why"? Two or three points should be made to support and amplify the theme statement. The tendency is to have too many supporting statements. By the time the speaker has reached the seventh or eighth point, the audience has been lost.

4. The body of the speech is now ready to be prepared. Each supporting point should be explained or illustrated. Examples and illustrations should readily communicate the speaker's ideas. More materials than can be used in the time limit is selected, but the less effective materials will be eliminated as the speaker practices.

5. Plan the introduction and conclusion. These are not prepared until after the preparation of the body. One should not attempt to write these first. The speaker should try to develop an interesting way to establish rapport with the audience in the introduction and lead into the topic. A reference to listeners' interests, a story about a personal experience, an anecdote that leads directly into the subject, a question or series of questions, or a simple statement of fact can all be good introductions.

   Conclusions are as important as introductions. They round out the main ideas and "drive home" the main theme. A lame, "well, I guess that is about all," betrays inadequate preparation and leaves the audience "hanging in the air."

6. Go through speech orally. This allows one to re-think what is meant and experiment with different ways of wording ideas. Materials that are most "alive" are kept, and the "dead" materials are disposed of. A final draft of materials that will be used is written, and the speech is practiced until the materials are well in mind. The main ideas should be firmly in mind, but the language and expression should be flexible.

ESTABLISHING RAPPORT WITH AUDIENCE

Rapport is the feeling of warmth and harmony between speaker and listener. Before the audience can be persuaded or stimulated, it must have a sympathetic feeling for the speaker. Today's audiences are speech-wise and word-weary. They are seldom hostile but often indifferent. Whatever happens in the speech situation, the speaker will have to make it happen. Although rapport is important throughout the speech, it is most important at the beginning.

The following are ways in which rapport can be established:

1. The speaker walks to the platform or lectern with quiet assurance. This projects the idea that the speaker is confident and puts the audience at ease.

2. The speaker stands quietly before beginning. The nervous speaker tends to begin without a moment's hesitation and talks too rapidly. A pause before beginning provides the audience a chance to get quiet and gives the speaker a chance to collect his wits and adjust to the situation. It also arrests attention and makes the audience feel something important is to be said.

3. The speaker should look directly at the audience. If the speaker does not look directly at the audience or takes only furtive glances in their direction, he/she appears remote and detached. It may be necessary to glance at notes occasionally, but when beginning to talk, the speaker should look directly at the audience.

4. The speaker should be friendly and pleasant. If the speaker is friendly, the audience tends to respond with equal warmth. The audience reflects the speaker. The speaker who has a genuine interest in people has an advantage. Friendly casualness and spontaneity of the right amounts are disarming and inviting.

5. The introduction should be graciously acknowledged. If the chairperson has been funny at the expense of the speaker, the speaker should laugh and take it as a good sport. If the chairperson has expressed real admiration for the speaker's accomplishments, a joke should not be made at the chairperson's expense. The response to an introduction should not be overdone, nor should it be completely ignored.

6. Pleasure should be expressed for the opportunity to speak. This is done directly, sincerely, and briefly and should be directed to the program committee or whomever invited the speaker.

7. Matters of local interest should be referred to. If there is a particular event or person for which a town is famous, the speaker can establish rapport by mentioning it. If speaking before a civic club or charitable organization, the speaker should mention the accomplishments of the organization which the speaker appreciates. When a speaker tactfully displays an awareness of the audience or community, this is a compliment for the audience or community.

8. Rapport is established by responding to the mood of the audience. The speaker should attempt to pick up the group feeling and capitalize on it. A statement such as, "as I listened to the reports, I have sensed that the organization really wants to do something for the community."

9. Some circumstance that the audience is aware of should be included in a comment. Almost invariably, there is something related to the room, the occasion, the stage, the noise outside--something intrinsically of no consequence--which lends itself to an amusing comment.

There is much, much more that one should consider in being a good conversationalist and speaker. However, the application of the above will greatly assist most students.

TOPIC: MAKING FRIENDS

OBJECTIVE: To assist the students in understanding the importance of and how to make friends.

REFERENCE: Information Sheet, "Making Friends"

STUDENT ACTIVITIES:

1. Read information sheet to acquire an understanding of the importance of making friends and how friends are made.
2. Be prepared to discuss questions in class.
3. Complete "Friendship Checklist" and determine areas in which improvement is needed.

SUGGESTED TEACHER ACTIVITIES:

1. Lead the class in a discussion of the questions given below.
2. Lead the class in a discussion of the "Firendship Checklist."

QUESTIONS AND ANSWERS:

1. What is one of the primary concerns of most high school students?
   Being popular and well-liked

2. Give a definition of a friend.
   "One attached to another by esteem, respect, and affection."

3. List the bases for friendship.
   a. Sincerity
   b. Loyalty
   c. Trustworthiness
   d. Generosity
   e. Consideration
   f. Courtesy
   g. Capacity to love
   h. Give-and-take

4. What are some of the commonalities of a circle of friends?
   A circle of friends is usually made up of people with similar backgrounds. They live in the same neighborhood, go to the same church, have the same occupations, and are of the same financial status, and same race.

5. What is a disadvantage of being a member of a closed friendship circle?
   It offers limited experiences. Also, people need friends in all social levels.

6. What are the advantages of being in a number of friendship circles?
   The more circles a person moves in the larger the number of friends, the larger the number of experiences, and the greater the satisfaction.

Making Friends
(Questions & Answers continued)

7. List the different kinds of friends.
    a. Advisor or counselor
    b. Associate
    c. Mutual interest friend
    d. Idealized friend
    e. Long-standing friend
    f. Family friend

8. How are most friendships made?
Through contacts at school, church, clubs, parties, or other activities.

Information Sheet
on
MAKING FRIENDS

A primary concern of most high school students is to be popular and well-liked. This is as it should be, for friends are an important part of most people's lives. Friends are useful and needed because they provide encouragement, share in joys and sorrows, exchange ideas and experiences, and serve as "sounding boards" for actions. In order to have friends, one must be a friend.

Friendship has been defined as "one attached to another by esteem, respect, and affection." Although the above definition is true, a great deal more is involved. The bases for friendship are listed and discussed below:

Sincerity - A sincere person is true to himself/herself, represents himself/herself honestly and fairly to others, and does not pretend to be something he/she is not. Statements spoken by a sincere person are his/her opinions and are not changed to represent so called popular thinking. If a sincere person is obligated, the obligation is recognized and met in the allotted time and without having to be reminded.

Loyalty - There is no "middle ground" for loyalty. A person is either loyal or disloyal. It is not something that can be turned on or off. A loyal person is one that is faithful to a cause, ideal, or custom, which includes a friend. Loyalty is displayed by keeping matters spoken in confidence secret, by providing assistance without it being requested, and by defending a friend from verbal attacks.

Trustworthiness - A trustworthy person is worthy of confidence and is dependable. He/she is prompt for appointments, meets obligations on or before they are due, and gives freely of time when needed.

Generosity - A generous person is generally required to sacrifice because it requires the giving freely of time and money. It might be defined as "going the extra mile." A generous person will contribute to a worthy cause in lieu of purchasing a desired item.

Consideration - A considerate person thinks of others before thinking of himself/herself. It includes refraining from making thoughtless statements, being tactless, and respecting of the feelings and moods of others.

Courtesy - Courtesy might be considered a part of consideration. Its meaning is much broader than following etiquette. When practiced, courtesy puts people at ease and gives them pleasure. It could be an expression of appreciation to parents, teachers, and friends.

Making Friends
(Information Sheet continued)

Capacity to Love - This is the ability to feel a genuine affection for someone and provide sympathy and understanding. A person having the capacity to love is pleased when a friend receives a promotion, achieves a goal, or is capable of doing something that he/she cannot do.

Give-and-Take - To have friends, one must be able to give-and-take. Both parties in a friendship must contribute and get something in return.

Normally, in all friendships there are low and high periods, which can usually be attributed to moods or changes in interest. Sometimes a decrease in esteem is due to expecting too much of a friend. One should be aware that not all friendships will last for a lifetime. To maintain a long-lasting, meaningful friendship, both parties will have to exert special efforts.

Friendships are similar to a circle, such as the circles made by the small waves when a pebble is thrown in water. The very small circle or the closest wave to where the pebble was thrown represents the closest friends. The number of friends in this circle is small, but they are more intimate. The next circle is composed of less intimate friends. People in this circle are seen less frequently, but they are greater in number than the smallest circle. The next circle might be described as the acquaintances with whom a person comes in contact. The intimacy is less than in the other two circles, but there is still a larger group of people involved.

A circle of friends is usually made up of people with similar backgrounds. They normally live in the same neighborhood, go to the same church, or the parents have the same occupations. They also are usually of the same financial status, race, or religion.

Some friendship circles are said to be closed. This type is often referred to as a clique. Usually people in a circle of this type are impressed with their importance. This type of friendship circle is a detriment to its members because it offers limited experiences. Also, people need friends in all social levels.

The more circles a person "moves in," the larger the number of friends, the larger the number of experiences, and the greater the satisfaction. A person should never attempt to close a friendship circle. This does not mean that a person should not make a choice of friends, as some people should not be included in a friendship circle. Friendship should be based on one's needs.

There are several different kinds of friends which may be categorized as advisor or counselor, associate, mutual interest friend, idealized friend, long-standing friend, and family friend. Friends of each kind fill a special need.

Advisor or counselor friends are usually older persons who have had more experiences. Teacher, minister, family physician, professional counselor, and a family friend might be included in this category. The people in this group are consulted when certain actions are contemplated, when planning a career, or when a person has a medical problem.

The friendship of an associate is very important because the success of a person may depend upon this kind of friendship. Some associates will become close friends, while others will remain only acquaintances.

Mutual interest friends are friends having similar interest. They are usually drawn together because of their interest and may be of either sex. Their interest provides topics for conversations, an opportunity to learn, and may cause the friendship to develop into a lasting one.

Most people have come in contact with some person whom they idealize. It may be a person who has been very successful in some endeavor, such as a teacher or athlete.

Long-standing friends are those in which a person has invested a great deal of time over a number of years. It could be a classmate or a person of the same age in church. As one grows older, this kind of friendship becomes of more value.

A family friend is one that was acquired through shared activities of the families. Often the children of families become friends because of the friendship of their parents. It is not uncommon for the adult in one family to serve as an advisor to the child of another family. The child may feel more at ease discussing a topic with the family friend than with parents.

All kinds of friendship require a give-and-take relationship; otherwise, the friendship will not be a lasting one. Also, both parties must make a contribution to the friendship.

The statement that "opposites attract" is true. Just as people choose friends who have similar interests, ideas, and customs, people also choose friends because they have a different color of hair, a quaint way of doing something, are talkative, or are lively. The so-called opposite person usually complements the personality of the friend.

MAKING FRIENDS

Most friendships are made through contacts at school, church, clubs, parties, or other activities. Initially friends were acquaintances; through periodic contacts over a period of time they have become friends. Contacts and friends are made at the same places. An activity is not attended for the primary purpose of making friends, but friendship is one of the advantages of participating.

Making Friends
(Information Sheet continued)

To have more friends, plans must be made. After determining the requirements of a friend, a good place to start is to choose a person who has something in common. It is usually easier to make friends with a person who has a similar hobby, participates in the same activities, or has the same career plans. Morals and principles are other factors to consider. No one should want to become a close friend with someone who has a bad reputation, is immoral, or is dishonest. The person selected should be well-adjusted. This eliminates the person having a personality problem which makes him/her difficult to get along with.

To start a friendship, contacts have to be made. This may be accomplished by joining a group, being introduced by a mutual friend, or by approaching the prospective friend and asking a simple question about a school subject or some other area. After the initial contact, the friendship must be pursued. This is done by finding out how the prospective friend spends his/her time, interest, hobbies, and other activities participated in.

A genuine interest must be shown by the person initiating the friendship. After becoming better acquainted, the prospective friend is asked to attend some function. It could be only an invitation to a dinner at home. Response to friendliness may not be immediate, and time may be required for the friendship to develop. If it does not develop, a person should not be disappointed. An attempt should be made to become friends with others.

After a friend has been made, the friendship must be nurtured. One cannot relax. Although it may seem that considerable effort is required to make friends, good friends are worth the effort.

FRIENDSHIP CHECKLIST

Answer the questions below by placing a check mark under the appropriate answer.

Yes	No		
____	____	1.	Feelings toward friends are ones of affection rather than envy or superiority.
____	____	2.	Friends are defended from verbal attacks.
____	____	3.	Are you pleased by friends' achievements and successes.
____	____	4.	During times of difficulty, sympathy, understanding, and assistance are provided friends.
____	____	5.	Matters told in confidence are kept secret.

Making Friends
(Friendship Checklist continued)

Yes No

____ ____ 6. My opinions are expressed honestly, and opinions of friends are respected.

____ ____ 7. All obligations are met.

____ ____ 8. Appreciation is always expressed for favors received.

____ ____ 9. Compliments are given when they are due.

____ ____ 10. Courtesy is practiced among friends and acquaintances.

____ ____ 11. Consideration is given for friends when anticipating action and statements.

____ ____ 12. Generosity is always practiced for worthy causes.

TOPIC: USING LEISURE TIME

OBJECTIVE: To assist the student in understanding the importance of leisure time and how to use it more effectively.

REFERENCE: Information Sheet, "Using Leisure Time"

STUDENT ACTIVITIES:

1. Read the information sheet and be prepared to discuss the questions in class.
2. Select a week and record all of the daily activities during the week. From this, determine the amount of leisure time and how it was used.

SUGGESTED TEACHER ACTIVITIES:

1. Lead the class in a discussion of the questions listed below.
2. Ask students to select an average week and record all of their daily activities. Discuss the result of this activity.
3. Discuss the selection of hobbies with class.

QUESTIONS AND ACTIVITIES:

1. Why is it important that high school students consider their use of leisure time?
   Because they are developing a pattern for work and play that will guide them throughout their adult lives.

2. Why is the constructive use of leisure time important?
   It is important to health and well-being.

3. List factors that influence a person's selection of leisure time activities.
   a. Parents
   b. Early ancestors
   c. Physical and mental abilities
   d. Personality

4. What needs do all people have?
   All people have physical, social, practical, mental, and emotional needs.

5. How would you describe psychological or unconscious needs?
   They may be described as a drive, force, or biological instinct created within the individual.

6. How can most of a person's needs be met?
   Through the participation of recreational activities and by pursuing a hobby.

7. How can one receive the most satisfaction from leisure time?
   By planning it.

Information Sheet
on
USING LEISURE TIME

Leisure time allows for the expression and fulfillment of desires and serves as an outlet for emotions. The constructive use of leisure time is important to health and well-being.

It is important that high school students consider their use of leisure time because they are establishing patterns of work and play which will guide them throughout their adult lives. Just as students are preparing for future employment through their studies, it is equally as important to prepare for the future use of leisure time. Their interests, goals, use of free time, and understanding of individual needs determine whether they will lead a full life or merely experience an eat-work-sleep existence.

Various definitions have been given for leisure time; however, most people would define it as free time. The definition, however, may depend upon how the leisure time is used. The principal difference between work and play is how one views it.

It is estimated by reliable authorities that about one-third of the time is leisure for the average high school student. This amounts to over 100 days per year and represents a tremendous waste for those who do not spend their time constructively.

A number of factors influence the kind of leisure time activities selected by a person. These factors are discussed below.

Parents greatly influence the choice of leisure time activities, as attitudes and opinions are developed at home. Children involved in leisure time activities with their parents have a much easier time in developing interests, while children of parents who do not engage in leisure time activities will have to exert a greater effort to develop interests.

Early ancestors influence leisure time activities of some people. Frontier life was very difficult at best, and people of this period thought leisure for adults was sinful. Although this is not the present day concept and people recognize the need for leisure time, they have a guilty feeling.

Physical and mental abilities influence leisure time activities. Some people are unable to develop their physical abilities to a point that they can excel in a sport, but they may excel in a mental endeavor.

Still another influence in the selection of leisure time activities is personality. Due to experiences from an early age, people develop likes and dislikes. Emotional needs vary among people, and different outlets are used to express these needs. It is necessary to identify desires and participate in activities that meet the needs.

Due to a gradual change in attitudes, which has been brought about by the industrial revolution, increases in production of most all products, and improved technology, most everyone has more leisure time today than did their ancestors. Many jobs do not provide the opportunity to be creative or have rich experiences. Leisure time provides a change from the daily routine, the opportunity for satisfactory experiences, and to be creative.

IMPORTANCE OF RECREATIONAL ACTIVITIES FOR LEISURE TIME

All people have physical, social, practical, mental, and emotional needs, which can often be met by participating in recreational activities. A discussion of these needs is given below.

Physical well-being should be a major consideration in selecting a recreational, leisure time activity. Selection is based on development of physical skills, body coordination, and exercise. Recreational activities are an excellent means of relieving tension and meeting physical requirements.

Social needs can be met by becoming a member of clubs and other organizations. However, to be successful socially, one must develop the ability to get along with people. Social activities provide a means of exchanging ideas and learning experiences.

Practical needs include the gaining of experiences, knowledge, training, and developing skills. A hobby can often meet the practical needs. A good time to select hobbies is while in high school. Hobbies can develop into full-time employment and provide a certain amount of career tryout.

The three needs discussed above might be classified as conscious needs, while mental and emotional needs may be classified as psychological or unconscious needs. They are sometimes called inborn needs. These may be described as a drive, force, or biological instinct created within the individual. This force or drive can usually be satisified by substituting an activity such as recreation or a hobby.

Another form of force may be classified as aggressive drive. This type is expressed as hate and destruction when uncontrolled. Since many occupations do not allow for this type of drive, recreational activities are a good means of expressing it.

Leisure time also provides a person the opportunity to deviate from a rigorous schedule of duties and responsibilities. Hobbies can be pursued without having to remain on a strict schedule, thus providing for one's psychological needs.

IMPORTANCE OF USING LEISURE TIME CONSTRUCTIVELY

In addition to providing for the needs discussed above, the constructive use of leisure time prevents an awful waste. Time is too precious to waste.

For a person to receive the most satisfaction from leisure time, the time must be well-planned. Planning also will help in determining the amount of time available. Most people are surprised at the amount of time wasted after developing a plan. Well-planned leisure time gives a greater return, greater satisfaction and more enjoyment.

TOPIC: A HIGH SCHOOL EDUCATION

OBJECTIVE: To encourage each student to complete high school and make the most of required and elective courses.

REFERENCE: Information Sheet, "A High School Education"

STUDENT ACTIVITIES:

1. Read the information sheet to become better informed about the importance of completing a high school education.
2. Complete the questions and discuss with other class members the requirements for education and training in his/her chosen occupation.

SUGGESTED TEACHER ACTIVITIES:

1. Discuss the questions in class after students have completed the assignment.
2. Encourage students to complete their high school work and to plan to make the most of their educational opportunities.

QUESTIONS AND ANSWERS:

1. How does the demand for educated and skilled employees today compare with the demand a generation ago?
   The demand is much higher today for educated and skilled persons.

2. What relationship between unemployment and educational attainments was revealed in the Labor Department survey?
   Of all unemployed workers in the United States, 22% were from the 18 and 19-year old group, which had only 5-7 years of elementary education. 14% had attended high school, and the group having the lowest unemployment rate, 8.6%, was persons who had completed high school.

3. Which group had the least opportunity for advancement?
   It was noted in the survey that a higher percentage of workers who failed to finish high school were employed in the lowest paid occupations, and these occupations offered little opportunity for advancement.

4. How will the shift toward more education and experience affect your future?
   You will need more preparation for the job, more education, and more skills.

5. How can your school fulfill the requirements of an educated person? (Discuss advantages of English, mathematics, history, and science. Group discussion.)

6. What is the purpose of vocational education in the curriculum?
   To help every educable person to develop the competencies he/she needs to enter and advance in a vocation.

Information Sheet
on
A HIGH SCHOOL EDUCATION

The temptation to quit high school before graduation and go to work for what appears to be a good salary is a strong one for many young people; but if there is an advantage, it is only temporary. Adequate preparation for a field with a good future pays dividends in the end. Getting a job and being successful in the job greatly depends on education and training.

The importance of education and training and their relationship to job security should not be overlooked. The result of a survey made by the U.S. Department of Labor clearly reveals a relationship between the unemployment rate of 18- and 19-year old men and women and the level of their educational attainments. According to the survey, 22 percent of those unemployed were 18- and 19-year olds having only a fifth to seventh grade education. Fourteen percent of those unemployed attended high school, while only 8.6 percent of those unemployed completed high school. It was also noted that a larger percentage of workers who failed to graduate from high school were employed in the lowest paid occupations, and the occupations offered very little opportunity for advancement.

To keep from being a statistic in the unemployed or lowest pay scale group, a person must prepare himself/herself for employment. Educational and occupational experiences are necessary today to receive employment. In many professional and skilled occupations, employees are expected to contribute to the improvement of the firm by making suggestions for increasing production. One might wonder what enables a person to make a good suggestion. Training and education will help. Level of education often determines employment, the amount of money earned, and security of the job.

Education is said to offer independence and freedom. As a person learns to overcome fears and inabilities through education, he/she becomes more capable of independent action. Generally, this person no longer feels the need for approval before taking action.

Although various acceptable answers might be given for a definition of an educated person, the two extremes when a definition is given are, "He/she is a person who knows a great deal," and "He/she is a person who realizes how little he/she knows." The person who is described in the second definition will most likely be seeking knowledge.

It is possible for a person who graduates from high school to be educated. It is also possible for a person who does not graduate from high school to be educated, but it is much more difficult. Actually a person should attempt to continue his/her education after completing a level of formal education. One means of continuing education is through reading. Other methods are to attend adult classes and seminars.

A High School Education
(Information Sheet continued)

The ability to communicate intelligently, both in writing and verbally, is important to success in the adult world. The high school English courses offer students the opportunity to learn and use their communication skills. In order to take advantage of these courses, one must keep a positive attitude and recognize their value.

Since the days of ancient Greece, educated people have been expected to understand the elements of mathematics. The high school student today is fortunate to be able to acquire a knowledge of mathematics, which will be an asset on a number of jobs.

A good insight of science and the ability to reason clearly about common scientific matters are basic abilities that every high school student should acquire. Science courses provide an understanding of the structure and order natural things must follow. These are the kinds of experiences that help to recognize the differences between myths or legends and true experiences. A working knowledge of internal combustion engines, hydraulics, and electricity might be helpful in making an appraisal of an automobile. With an understanding of basic scientific principles, the production worker can perform more complex skills. The farmer, combining common sense with specific knowledge of natural laws, can use land and other resources more efficiently.

History is a study of the past. With a knowledge of the past, plans can be more accurately developed for the future. A study of history allows one to become acquainted with the system of government and its procedures. Also, a knowledge of the past will help in avoiding problems in the future.

The purpose of vocational education is to assist every educable person in developing competencies needed to enter and advance in a vocation. It should help in discovering vocational potentials and developing skills and abilities required for success. Many skills and abilities can be developed on the job, while others will require apprenticeship training. Every possible opportunity should be used to learn as much in school as is possible, for the knowledge and skills acquired can be used in the future.

TOPIC: THE BIG DECISION

OBJECTIVE: To cause the students to give serious consideration to the decision of whether to attend college and to inform them of the advantages of a college education.

REFERENCE: Information Sheet, "The Big Decision"

STUDENT ACTIVITIES:

1. Read information sheet and be prepared to discuss questions in class.
2. Secure information from counselor and teachers that will assist in making the big decision.

SUGGESTED TEACHER ACTIVITIES:

1. Lead a class discussion of the questions.
2. Provide students with additional information that would help them to be better informed about educational opportunities in their chosen occupations.

QUESTIONS AND ANSWERS:

1. In the final analysis, who will make the decision about attending college?
   Each student

2. List five factors to consider in making the decision to attend college or not.
   a. Abilities
   b. Advantages
   c. Future goals
   d. Choice of college
   e. College expenses

3. In what areas is it predicted that there will be major increases in job opportunities?
   Major increases in job opportunities will occur in professional and technical fields. White-collar jobs will increase approximately 52 percent, while blue-collar jobs will increase approximately 48 percent.

4. How do lifetime earnings compare for different levels of education?
   According to statistics, lifetime earnings of college graduates are about $608,000. With one to three years of college, lifetime earnings amount to about $424,000, while earnings of high school graduates are about $371,000. The earnings of those not completing high school will be less.

5. What is predicted to be the education level of people in the 25-34 age group in 1980?
   Four out of five of this age group will be high school graduates or better. This compares to three out of four in 1968. One out of five will be a college graduate, compared with one out of six in 1968.

6. Should all students strive to acquire a college degree?
   No. Important as a college education is for some, it is not necessarily the best route for all. It is generally agreed that everyone should finish high school, and two years of technical training at a junior or community college would be desirable for most.

7. List and discuss the factors that should be considered in determining whether one should attend college.
   a. Abilities - All colleges and universities have certain entrance requirements based on high school scholastic achievements, and a college entrance exam is usually required. In order to gain admission to some institutions, high school academic requirements must be met, and a satisfactory score must be made on the college entrance exam.
   b. Motivation and incentive - To complete a college education requires drive and determination. Good study habits and sufficient determination enhance chances of graduating.
   c. Socio-economic status of family - This factor has a tendency to suppress the desires of some to attend college, while in others it has the opposite effect.
   d. Nearness to college - The distance from home to college prevents some students from attending college. Cost and being separated from family and friends has an influence.

Information Sheet
on
THE BIG DECISION

In the near future, juniors and seniors in high school will be faced with perhaps the biggest decision in their life up to that time. This decision will be based on the question, "Should I attend college when completing high school?" This decision will greatly influence the pattern of life for many students for the next half century. Before making a decision with such magnitude, it would be wise to seek counsel and guidance. The high school counselor, teachers, parents, and friends can be of assistance in making the decision.

While seeking counsel and guidance, the student might consider the following:

1. Abilities - Academic abilities required to succeed in college. Does the student enjoy studying and learning academic materials?

2. Advantages - Are the advantages offered by a college education worth the sacrifices that must be made to attend college? What will be accomplished from attending college?

3. Future goals - Has serious thought been given to a vocation? Will a college education help in realizing future goals?

4. Choice of college - There are a number of colleges, and no two of them are exactly alike. Some programs are better in some institutions. Which college best suits individual needs?

5. College expenses - What will a college education cost? Can the student and/or family afford the cost?

Several other important factors should be considered. The major increases in jobs over the next few years will be in professional and technical fields. It has been projected that there will be an increase of approximately 52 percent in white-collar jobs, while blue-collar jobs will increase approximately 48 percent. Another consideration is the educational background of the 25-34 age group. The members of this group will have completed their formal education and will be competing with today's high school students for jobs. In 1980, about four out of five in this age group will have attained a high school education or higher. This compares to three out of four in 1968. In 1980, one out of five graduated from college, while only one out of six graduated from college in 1968.

Recent statistics indicate that over a lifetime a college graduate will earn $608,000. With one to three years of college the average lifetime earning is $428,000, while the average lifetime earning for high school graduates is $371,000. Due to inflation, earnings in all categories are probably much higher today.

The qualifications for many jobs specifies that the applicant must have a college degree. This prevents those without a degree from being qualified, even though they might be able to perform at an acceptable level. Competition is greater today, and people are becoming better prepared for the higher paying jobs.

Although a college education is an advantage to some people, it is not necessarily the best route for all high school graduates. There are a large number of high school graduates making more money than their college graduate counterparts. However, all of the intellectuals agree that it is essential for a student to graduate from high school. A two-year junior or community college or trade school may provide sufficient training for many people. Four or more years of college is an experience which may not be suited for everyone.

Listed below are four factors which should be considered by each individual to determine if it is practical for him/her to attend college:

1. Intelligence and school records - Students should have average or above intelligence and grades to succeed in college. Being accepted by a college and receiving a degree are two different things. While the percentage is much higher now, only one-half of those who entered college in 1960 received a degree.

2. Motivation or incentive - Each year thousands of students enter college expecting to enjoy the experience and complete their work, but during the first year they withdraw due to failing grades. They are disillusioned and their parents are disappointed because both knew they had the ability. Something was lacking. The reason for some of them withdrawing could have been sickness or something similar. However, most often their poor grades can be attributed to a lack of drive and determination to perform the tasks when problems arose.

   Also, thousands of average or below average students start to college with some apprehension that it may be too difficult for them. Many of these make their grades and graduate. Sufficient determination and hard work in the form of studying permits them to graduate.

3. Socio-economic status of the family - Most students understand the term social status and are aware that in each community there are areas of the town where homes are larger and more expensive, while in other areas there are neighborhoods with houses badly in need of repairs. In different parts of town there are varying degrees of houses falling somewhere between these two extremes. Students are also aware of the fact that families receive varying amounts of income, have different ambitions, and have different roles in the community. These factors are intermingled in the lives of people, and their families bring into focus a situation referred to as socio-economic status. Opportunities and ambitions are often affected by this status of a family.

The Big Decision
(Information Sheet continued)

4. Nearness to a college - The distance from home to a college determines whether some students attend college. Cost, as well as being separated from the family by a great distance, greatly influences some students in this respect. If these factors are influencing a student's decision, he/she should give it some thought. If money is a problem, the student may need to spend some time and investigate the possibility of applying for a grant, loan, or scholarship. These are available to students having good grades and others.

After considering all of the above information, the final big decision is the student's.

TOPIC: BANKING PROCEDURES

OBJECTIVE: To acquaint the students with services performed by financial institutions, business forms and procedures, and provide the students with exercises relating to procedures sufficient to provide knowledge in these areas.

REFERENCE: Information Sheet, "Banking Procedures"

STUDENT ACTIVITIES:

1. Read the information sheet and review illustrations of business forms to become familiar with banking procedures.
2. Complete the blank forms which are provided as a part of the information sheet in the student workbook.
3. If you have not established a bank account, discuss with your parents the possibility of opening a checking account in order to gain experience in banking procedures.

SUGGESTED TEACHER ACTIVITIES:

1. Discuss the questions with the class after students have completed activity No. 1 above.
2. Ask students to fill out each of the prescribed forms in the student workbook.
3. Encourage students to establish bank accounts on their own to gain experience in banking procedures.

QUESTIONS AND ANSWERS:

1. What are some of the services offered by banks and savings and loans?
   a. Handle checking accounts
   b. Receive bank deposits
   c. Verify check endorsements
   d. Honor payment on properly written checks
   e. Provide a monthly balance statement

2. Discuss the purpose of the signature card.
   The signature card provides the institution with information about the person(s) having the account, such as: account name, the signature that will appear on checks, and the address, telephone number, and occupation of the person(s) opening the account.

3. What is the usual procedure for listing items when filling out a deposit slip?
   a. Silver and currency
   b. Checks drawn on the institution in which the deposit will be made
   c. Checks drawn on other community financial institutions
   d. Checks drawn on institutions in other cities (Cash deposits made by mail should be sent by registered mail.)

4. What is the proper procedure for endorsing checks?
   Checks should be endorsed across the left end of the back of the check before being deposited or transferred to another person.
   a. Restrictive endorsement is used to protect the bearer from loss in the event an unauthorized person gets possession of the check. The holder may write "For Deposit Only" above his/her signature, or if the check is being deposited by mail he/she may indicate "For Deposit in (name of bank,) to Credit of (holder)."
   b. Blanket endorsement is used when the payee cashes a check and receives the cash. The holder signs name on the back of the check exactly as it appears on the front of the check.
   c. Full endorsement protects the holder from loss or theft, and the check can be transferred only after the holder endorses it. When the holder endorses the check by writing "Pay to the Order of John Brown" and signs name, then only John Brown can cash the check by signing his name below the other signature.

5. What are some things to keep in mind when writing a check?
   a. All checks should be written in ink.
   b. Write legibly.
   c. Never sign a blank check.
   d. Designate in the proper space the item for which the check was written.

6. Who may cash a check that is made payable to cash?
   Anyone may cash the check; therefore, it is not a good policy to accept a check made payable to cash.

7. Explain how you would stop payment on a check.
   A depositor may stop payment on a check anytime before it has been presented to the bank for payment. To stop payment, the depositor orders the bank to refuse payment. This may be necessary when a purchase is found to be defective, or when a person has failed to render the services agreed upon, or when check has been misplaced or lost.

8. Is it acceptable to date a check on Sunday? Explain.
   Checks may be dated on any day including Sunday; however, checks should not be postdated.

9. What is one procedure that the depositor may use to avoid writing a "hot" check?
   The depositor should keep an accurate record of deposits and withdrawals so that he/she will be aware of account balance.

10. What is the basis that most financial institutions use to determine the monthly service charge?
The type of charge and basis used to determine these charges varies with different institutions. Most use a sliding scale based on the number of checks written during the month and the average monthly balance of the account.

11. What information is shown on the monthly statement?
    a. Balance brought forward
    b. Checks written
    c. Deposits made
    d. Dates of each transaction
    e. Number of checks paid
    f. Balance after each transaction

12. What are the factors that may cause the statement balance and the check stub balance to differ in amount?
    a. Checks written but not received by the institution
    b. Deposits made after the statement was prepared
    c. Errors made on the check stub
    d. Failure to deduct any service charge from check stub balance

Information Sheet
on
BANKING PROCEDURES

The principal function of commercial banks and savings and loans (S&L) is to lend money; however, they perform many additional services. These include checking account service; savings account services; providing safe deposit boxes; managing trusts and estates; preparing cash payrolls for businesses; transferring of funds through the use of certified checks, travelers checks, and drafts; providing financial and investment advice; and selling and redeeming U.S. Savings Bonds.

Some of the services offered and procedures most frequently used by banks and S&L are discussed.

1. Checking Account Service - Most businesses and individuals use the checking account service of financial institutions. In addition to the convenience provided by a checking account when paying bills, it is easier to keep accurate records, which are essential to individuals as well as businesses.

   To open a checking account, one should contact the person in charge of new accounts at the financial institution. The person opening the account will be given a signature card, which provides space for the account name (as it will appear on the account); the signature(s) that will be used on checks; and the address, telephone number, and occupation of the person opening the account.

   See sample signature card at end of topic (No. 1).

   The signature card may be used for an individual or a business and may be signed by one or two people. Some businesses require that a check be signed by two people, and a joint account (husband and wife or father and son) may be opened by two people. A check may be written by either against the account.

   Some banks and S&L provide free individualized checks to individuals and firms maintaining large checking accounts. However, most financial institutions provide a few checks when a new account is opened; but the individual or business is charged for the printing of additional checks. Financial institutions differ as to their policies regarding the furnishing of checks.

   It would be wise to review the policies of several financial institutions before opening a checking account. Most institutions have a checking account which pays interest. A minimum balance is required, and the annual interest as well as the means of calculating it is different. Also, different services are offered by different institutions.

2. Making Deposits - A deposit slip is used for making deposits to an account. Counter deposit slips are furnished by the financial institution. This type of deposit slip is filled out in duplicate. The institution retains one copy, and the carbon or carbonless copy is retained by the depositor, which serves as a record of the deposit. Deposit slips are also contained in the back of personalized check books. Single or duplicate copies are made when using these. This type of deposit slip is often used when placing a deposit in a night depository.

   The procedure for filling out a deposit slip and the type of deposit slip used vary. Usually, silver and currency are listed first; and checks drawn on the institution in which the deposit will be made should usually be listed next, followed by the other financial institutions and finally, those in other cities. Cash deposits made by mail should be sent by registered mail. A sample deposit slip follows the information sheet (No. 2).

3. Endorsing Checks - Checks should be endorsed across the left end of the back of the check before being deposited or transferred to another person. If a check is being deposited and the name on the face of the check is different from the name on the signature card or account name, the first endorsement should be as it is written on the check; and the second endorsement should be the same as the account name on the signature card.

   There are three different kinds of check endorsements: (1) restrictive, (2) blanket endorsement, and (3) full endorsement; each is used differently.

   The restrictive endorsement is used to protect the bearer from loss in the event an unauthorized person gets possession of the check. Should the holder wish to deposit the total amount of the check, he/she can write "For Deposit Only" above the signature. This type of endorsement should be used if a check is being deposited by mail. Another way of signing for restrictive endorsement would be, "For Deposit in (name of bank), To Credit of (holder)."

   The blanket endorsement is used when the payee cashes a check and receives the cash. A check may be cashed by the person who has possession when a blanket endorsement is used. The holder signs his name on the back of the check exactly as it appears on the front of the check.

   A full endorsement protects the holder from loss or theft, and the check can be transferred only after the holder endorses it. If the payee wishes to use the check to pay a debt to a friend, John Brown, he/she can endorse the check by writing "Pay to the Order of John Brown" and sign his name. Then only John Brown can cash the check by signing his name below the payee's signature. Examples of the different kinds of endorsements are shown at end of topic (No. 3).

4. Writing Checks - A check is an order to a financial institution to pay the person named, bearer, a specific sum of money. A person may be required to make payment in some instances with a certified check, a check stamped with the word "certified" and signed by the cashier of the institution. The amount of the certified check is taken from the depositor's account when the check is certified so that funds are available when check is presented to institution for payment. The financial institution assumes the responsibility for the payment of certified checks.

When writing a check, a person should keep the following factors in mind:

a. All checks should be written in ink, as they are much more difficult to change;

b. The writing should be legible, and neither the holder nor the teller should have difficulty reading it;

c. Never sign a blank check. This places the bank account in the hands of the holder of the signed blank check. If a mistake is made in writing a check, it should be destroyed and another check written; and

d. In the area provided on the check and usually at the bottom left (For ________________), one should designate the item for which the check was written. This will help complete the record of payment, and many businessmen will accept this as a receipt.

The following numbers, one through six, give an explanation of the different areas to be filled in when writing a check and correspond to the numbers of the properly written check at the end of the topic (No. 4).

1. Checks are numbered consecutively. This helps the depositor identify checks when comparing account balance with the balance shown on the bank statement. This also will help in identifying lost or misplaced checks.
2. This is the date the check is written. Checks may be dated on any day, including Saturday and Sunday; however, checks should not be postdated, dated ahead.
3. The payee, the name of the person or firm to whom the check is written, goes on this line. Checks made payable to "cash" can be cashed by anyone. When withdrawing money from one's account the check should be made payable to "bearer."
4. There should be very little, if any, space left between the amount of the check and the dollar sign, which is located to the right of the bearer's name on the check.
5. The written line which gives the amount of the check should be completely filled.
6. Line six on the check is for the maker or drawer. Signature should appear as it is on the signature card.

The maker of a check may stop payment of a check any time before it is presented to the institution for payment. The procedure for stopping payment varies with different financial institutions. Most require the maker to sign a written order for the institution to refuse payment, and most charge a fee to stop payment. The usual reason for stopping payment is due to the check being misplaced or lost.

To avoid the writing of a bad check, often called a "hot check," because of insufficient or lack of funds, the depositor should keep an accurate record of deposits and withdrawals. If the check stub or record of written checks is accurately kept, the depositor will be aware of the account balance. This should prevent the writing of a bad check.

Check Stub - The check stub should show the number of the check, amount of the check, date check was written, to whom the check was written, the item or service purchased, deposits made since preceding check was written, and balance carried forward. An example of a check stub is at the end of the topic (No. 5). Several different types of stubs are in use, but the principle for using them and keeping an accurate record of the bank balance is the same.

Service Charges - Most financial institutions have a service charge for checking accounts. Charges and basis for determining charges varies among the institutions. Usually the service charge is based on the number of checks written during the month and the average monthly balance of the account. Accounts with large monthly balances normally are not required to pay a service charge. The service charges of one financial institution are as follows: insufficient funds or overdraft - $7.50; paid overdraft - $7.50; stop payment - $5.00; personal checking account service charge - balance of 0 to $99, $4.00; bal. $100 - $199, $3.00; bal. $200 - $299, $2.00; bal. $300 - $399, $1.00. If the monthly average balance remains above $400 or more, this financial institution does not charge for maintaining the checking account. Students and nonprofit organizations are exempted from paying a service charge by many banking firms.

5. Balancing or Reconciling the Checkbook with the Monthly Statement

The holder of an active checking account is sent a monthly statement which lists checks written, deposits, service charges, average monthly balance, and account balance. Banks enclose the cancelled checks with monthly statements, while some S&L send only a statement.

An example of a monthly statement is at end of topic (No. 6). It is assumed that this is a statement for Jack Jones, a fictitious person. The statement is for the month of July. Seven checks and three deposits are shown on the statement.

However, two checks have been written which are not on the statement. One is for $38.07, while the other is for $60.00. Neither have been presented to the bank for payment; otherwise, they would be shown on the statement. Also, one deposit for $135.00 was made after the statement was prepared. The above information is necessary to reconcile the statement and checkbook.

SIGNATURE CARD FOR A FIRM OR INDIVIDUAL

ANYWHERE NATIONAL BANK, ANYWHERE, TEXAS

is hereby authorized to recognize the signature below in the payment of funds or the transaction of any other business for my account.

Signature ______________________________

Home address ______________________________

Business address ______________________________

Occupation or business ______________________________

Signature ______________________________

Signature ______________________________

Date ______________________________

900-29
Page 185
No. 1

DEPOSIT SLIP

Front

Checks and other items are received for deposit subject to the terms and conditions of this bank's collection agreement.

Deposited with

Goville National Bank
Goville, Texas 77777

Date ______________ 19 _____

ACCOUNT NUMBER __________

CHECKING SAVINGS

Name ____________________

Address __________________

City __________ State _______

Please list each check separately, with name of bank or place drafted and insure each item is endorsed. Currency should only be sent via registered mail.

CURRENCY		
CHECKS		
TOTAL		

Back

CHECKS List Singly or Attach List	DOLLARS	CENTS

CHECK ENDORSEMENTS

SUPPLY THE PROPER ENDORSEMENT FOR EACH DIFFERENT KIND OF CHECK ENDORSEMENT DECRIBED BELOW

RESTRICTIVE ENDORSEMENT

For Deposit in
Anywhere National Bank
To credit of
(holder)

Assume that you are sending this check by mail with the entire amount to be deposited in your checking account.

BLANKET ENDORSEMENT

(Holder's name as it appears on the front of check)

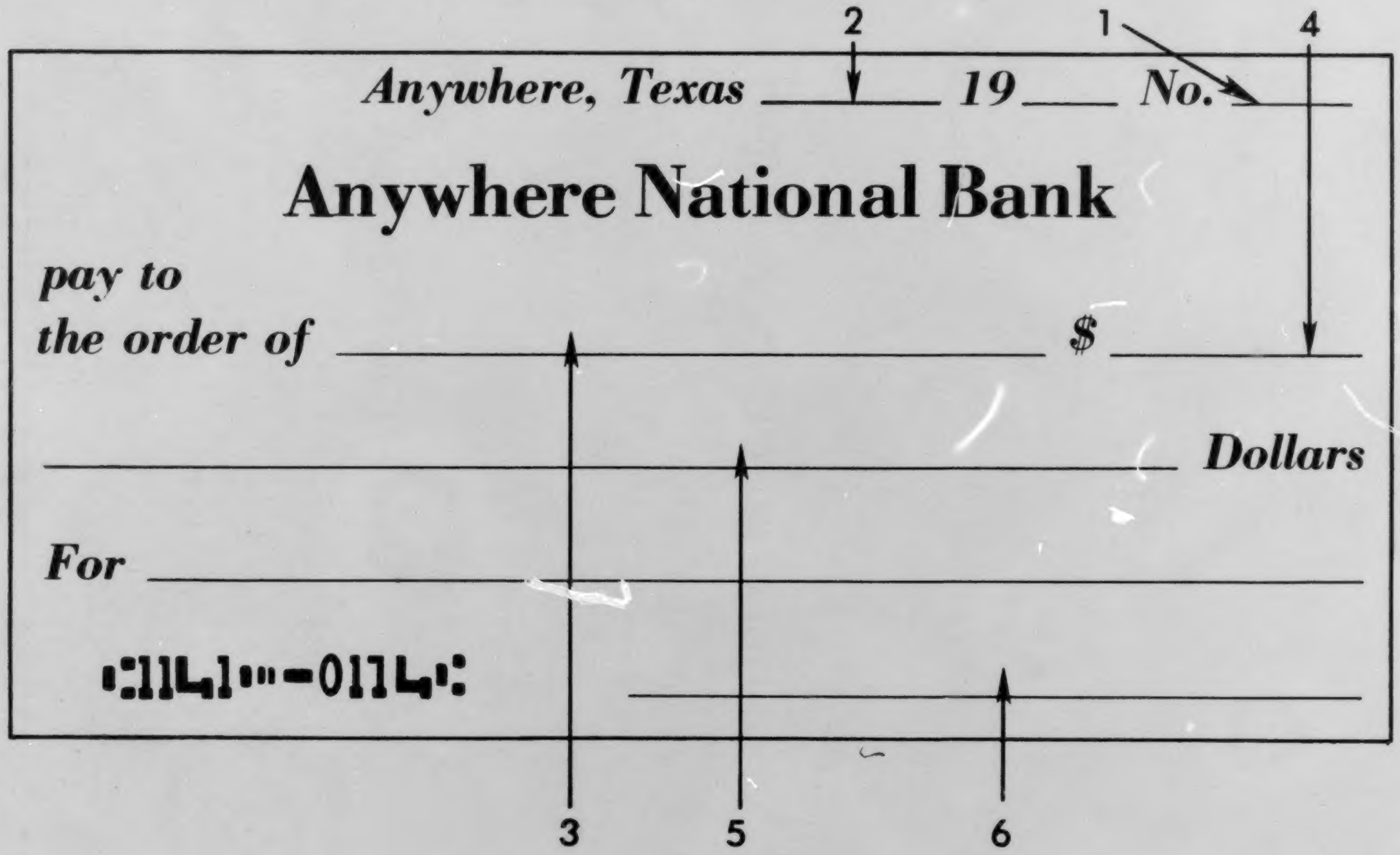
Assume that you were issued this check made payable to you (first name, middle initial, and last name), and you wanted to cash the check at your local bank.

FULL ENDORSEMENT

Pay to the order of
(payee's signature)
(holder's signature)

Assume that you want to endorse this check as payment on a debt to a friend, John Doe, and you want to be assured that it cannot be cashed by anyone else.

A PROPERLY WRITTEN CHECK



Anywhere, Texas ________ *19* ____ *No.* ______

Anywhere National Bank

pay to the order of ______________________ *$* ________

______________________________ *Dollars*

For ______________________________

⑆1141⑈-0114⑆ ______________________

A COMPLETED CHECK STUB

NO. ____________________ $ ____________________

DATE ____________________ 19 ________

TO ____

FOR ____

	DOLLARS	CENTS
BALANCE BRO'T FOR'D		
AMOUNT DEPOSITED		
" "		
TOTAL		
AMOUNT THIS CHECK		
BALANCE CAR'D FOR'D		

Goville National Bank
Goville, Texas 77777

Mr. Henry Means
Goville, Tx 77777

ACCOUNT NUMBER	PAGE NUMBER
106786	1
7-1-80	7-31-80
FROM	TO
STATEMENT PERIOD	

ACCOUNT NUMBER	BEGINNING BALANCE	NO OF CREDITS	TOTAL CREDITS	NO OF DEBITS	TOTAL DEBITS	FEE	ENDING BALANCE
106786	400 00	3	700 00	7	476 50	00	623 50

ACCOUNT NUMBER	CHECKS	CHECKS	DEPOSITS	DATE	BALANCE
			400 00	1-80	800 00
	12 00			2-80	788 00
	8 50			3-80	779 50
	6 00			4-80	773 50
	150 00			9-80	623 50
			100 00	10-80	723 50
	250 00			12-80	473 50
	25 00			14-80	448 50
			200 00	16-80	648 50
	25 00			18-80	623 50
					623 50

NUMBER OF ENCLOSURES

CODE EXPLANATION - SEE OTHER SIDE

CHECKBOOK RECONCILIATION

CHECKS OUTSTANDING NOT CHARGED TO ACCOUNT

NO.	$	
50	38	07
51	60	00
TOTAL	$ 98	07

ENTER BALANCE THIS STATEMENT 623.50

ADD RECENT DEPOSITS (NOT CREDITED ON THIS STATEMENT) 135.00

TOTAL 758.50

SUBTRACT CHECKS OUTSTANDING 98.07

BALANCE 660.43

SHOULD AGREE WITH YOUR CHECKBOOK BALANCE AFTER DEDUCTING CHARGES AND ADDING CREDITS INCLUDED ON THIS STATEMENT. BUT NOT SHOWN IN YOUR CHECKBOOK, AS FOLLOWS.

PLEASE REPORT ANY DISCREPANCIES WITHIN 14 DAYS

EXPLANATION OF CODE

AD	ADVANCE
CAD	CASH ADVANCE
CC	CERTIFIED CHECK
CL	LATE CHARGE CREDIT
CM	CREDIT MEMO
CN	CANCELLATION
CR	CREDIT
DL	LATE CHARGE DEBIT
DM	DEBIT MEMO
DP	DEPOSIT
EC	ESCROW CREDIT
ED	ESCROW DEBIT
EP	EXCESS PAYMENT
ES	ESCROW
FC	FINANCE CHARGE
FC	FUTURE PAYMENT CREDIT
FD	FUTURE PAYMENT DEBIT
FP	FUTURE PAYMENTS
IC	INTEREST CREDIT
ID	INTEREST DEBIT
IN	INTEREST
IS	INSURANCE DISBURSEMENT
LC	LATE CHARGES
LP	LIST POST DEBIT
OD	OVERDRAFT
PC	PRINCIPAL CREDIT
PD	PRINCIPAL DEBIT
PE	PREPAID ESCROW
PI	PREPAID INTEREST
PM	PAYMENT
PO	PAID OUT
PR	PRINCIPAL
RA	REVERSED AMOUNT
RC	DEPOSIT CHECK RETURNED
RI	RETURNED ITEMS
RP	REVERSED PRINCIPAL
RT	RETURNED ITEM
SC	SERVICE CHARGE
TR	TRANSFER DEBIT
TX	TAX DISBURSEMENT
WD	WITHDRAWAL

TOPIC: SOURCES OF CREDIT AND INTEREST RATES

OBJECTIVE: To acquaint students with lending agencies and to instruct them in some of the methods used to calculate interest.

REFERENCE: Information Sheet, "Sources of Credit and Interest Rates"

STUDENT ACTIVITIES:

1. Compile a list of lending agencies and determine their lending policies (terms, interest rates, and percent of appraisal loan value).
2. Learn to use the formulas for calculating true interest.
3. Read information sheet, be prepared to discuss questions in class, and calculate the interest for the problems.

SUGGESTED TEACHER ACTIVITIES:

1. Lead a class discussion of questions after class members have read information sheet.
2. Assist students in compiling a list of lending agencies and their lending policies (terms, interest rates, and percent of appraisal loan value).
3. Either plan a field trip to a local lending agency, or ask officer of lending agency to appear before class and explain lending policies and how loan applications are evaluated.

QUESTIONS AND ANSWERS:

1. List some of the sources of credit.
   a. Commercial banks
   b. Savings and loans
   c. Individuals
   d. Federal Land Bank
   e. Small Business Administration
   f. Production Credit Association
   g. Life insurance companies

2. What is the most important factor in selecting a lender?
   The willingness to extend a line of credit should an unexpected event occur is the most important; however, the lender's knowledge of the enterprise is important.

3. Why are banks the most important source of credit?
   Because they make all types of loans.

4. List some of the methods used by lenders to calculate interest.
   a. Discounted loans
   b. Simple interest
   c. Add-on loans

Sources of Credit and Interest Rates
(Questions & Answers continued)

5. List two ways the borrower may determine the true interest being paid on a loan.
   a. Lending agencies are required by Texas statute to quote the rate of interest being charged for a loan.
   b. Use the formulas for calculating true interest provided in information sheet.

6. Calculate the amount of interest paid and the true interest of the following problems:
   a. A $1,200 loan for a period of 24 months at 8½% interest paid on the annual unpaid balance.
      Amount of interest - $153.00
      True rate of interest - 12.2%
   b. A loan of $300.00 for 6 months at 10% interest to be paid in full when note is due.
      Amount of interest - $15.00
      True rate of interest - 10%
   c. A loan of $600 for 12 months at 9% interest with the interest calculated on the unpaid monthly balance.
      Amount of interest - $29.25 or $29.28 if major fractions are carried to whole numbers
      True rate of interest - 9%
   d. A loan of $600 for 12 months at 1½% interest per month on unpaid balance and paid in equal monthly installments.
      Amount of interest - $58.50 or $58.56 if major fractions are carried to whole numbers
      True rate of interest - 18%

7. List the four ways in which credit may be provided.
   a. Direct method - Ex. individuals
   b. Agency system - Ex. insurance companies
   c. Pooling method - Ex. Federal Land Bank
   d. Indirect method - Ex. commercial bank

Information Sheet
on
SOURCES OF CREDIT AND INTEREST RATES

Because of the many sources of credit and differences in lending policies of the different sources, a knowledge and understanding of credit and credit practices should be helpful in securing a loan. Also, it is necessary that most everybody borrow money at some time. Lenders also differ in the interest rates charged, length of loans, and purposes for which money is loaned.

In selecting a lender, it is important to remember that the interest rate is not the most important factor in securing a loan. More important is the lender's willingness to extend a line of credit should an unexpected event occur. Another important factor is the lender's knowledge of the enterprise.

An example of the importance of a lender's knowledge of the enterprise is the agricultural representative of the Bank of America, located in Los Angeles, California. Over one-half of the loans made to dairies in a large area of California are made by this representative. Operators drive as far as 350 miles, passing many lending institutions along the way, to borrow money from this bank. Because of the representative's knowledge of dairying, he will make loans that others turn down.

1. Credit Sources - Several credit sources are discussed below.

   Commercial Banks - Based on volume of loans, commercial banks are the most important sources of credit. About 25 percent of the agricultural debt and a larger percentage of nonagricultural debt is owed to banks. Both real estate and operational loans are included. Commercial banks lead in loan volume because they make all types of loans.

   Savings and Loans - Up until recently, savings and loans primarily made loans for houses. However, now they are offering many of the services offered by commercial banks and are increasing their volume of loans in the business and agricultural sectors.

   Individuals - At the present time, individuals follow banks in importance in rural real estate loans and are a source of credit for many small businesses. About 36 percent of farm real estate mortgages are held by individuals. Interest rates, tax deferments and reductions, and payment options are some of the reasons individuals are willing to finance real estate.

   Federal Land Banks - These were created by Congress in 1916 for the purpose of providing long-term credit for agriculture. They are an excellent source of credit because of the favorable interest rates. There are 12 Federal Land Banks, one in each of the 12 Farm Credit Districts. Loans are made through more than 500 Federal Land Bank Associations, which are located in all agricultural areas of the country.

Borrowers are required to purchase five percent of their loans in land bank stock from local associations.

Small Business Administration - This is a Federal agency which was created in 1976 for the purpose of financing small businesses, and to provide a source of credit for those businesses which could not secure adequate funding otherwise. Interest rates on SBA loans are comparable to those of the FLB. The SBA has made loans for feed mills, hatcheries, custom feedlots and non-agricultural businesses.

Production Credit Association - The PCA was established by an Act of Congress in 1933 for the purpose of providing favorable, short-term credit for agriculture. PCA funds are secured from Federal Intermediate Credit Banks, who in turn secure money from private lenders. Borrowers must also purchase five percent of their loans in PCA stock. PCA loans are production loans for crops and livestock.

Life Insurance Companies - Insurance companies have been an excellent source of credit for financing long-term real estate loans. Loans are made through brokers, correspondents, and company representatives. Loans are made for agricultural and business real estate.

2. Cash Discounts

An aspect of borrowing that farmers and businesses may wish to consider is the cash discount sometimes offered by wholesalers and merchants. A cash discount of three percent can amount to an annual interest rate of 54 percent. An example is given below:

Example of the Cost of Not Using Cash Discounts

Business Payment Terms: 3% discount if paid in 10 days. Net price due if paid after 10 days but before 30 days. Interest charged at 1.5% monthly after 30 days.

Example: 20-day financing (The number of days of actual financing if paid after 10 days but before 30 days)

$$\frac{20 \text{ days}}{360 \text{ days}} = 1/18 \text{ portion of year financed}$$

$$\frac{3\%}{1/18} = (.03 \times 18 = .54) = 54\% \text{ annual interest}$$

Because it is easier to calculate, a number of lending institutions figure annual interest rates on a 30-day month and 360-day year. Other discount rates may be calculated in the same manner.

3. Cost of Credit

Interest is the greatest expense in borrowing money. In addition to interest, borrowers are often required to pay commission fees, recording fees, title certificate charges, insurance fees, and service charges. A common fee often charged when purchasing a house is referred to as points. A point is one percent and is charged by the lender for making the loan. The total finance charge (cost of credit) is the sum of all miscellaneous fees plus interest charges.

The method used to calculate interest makes a difference in the cost of credit. There are many ways of figuring interest charges. An explanation is given of some of the methods:

Simple Interest - The full amount of the loan is received by the borrower. At the end of the loan period, the full amount of interest and principal are paid. When payments are made several times during the note period, interest is charged on the remaining balance of the principal.

Formula And Example For Calculating Simple Interest

Simple Interest

Interest Rate = Principal x Rate x Time ($I = P \times R \times T$)

Example: A loan of $600.00 for 12 months at 10 percent interest.

$600.00 x .10 x 1 = $60.00 = 10% true interest

Discount Loan - The interest on this type of loan is subtracted from the principal at the time the loan is made. For example, a borrower would receive only $900 of an $1,000 loan if the interest was 10 percent. Since the full amount of the principal is not received, a higher interest rate is paid by the borrower.

Formula and Example For Calculating Interest on a Discounted Loan

Discounted Loan

$$\text{Interest Rate} = \frac{\text{Interest (dollar cost)}}{\text{Principal x Time}} \quad \left(R = \frac{I}{P \times T}\right)$$

Example: The same loan and interest rate that was shown for simple interest is used.

$$\frac{60.00}{540.00 \times 1} = .11 \text{ or } 11\% \text{ true interest}$$

Add-on Loan - The method is often used to calculate interest for consumer loans. The loan is repaid in installments of equal payments. Interest is added-on at the beginning of the payments. For example, a $1,000 loan at 10 percent interest would be repaid in installments of $91.67 ($1,000 principal + $100.00 interest = $1,100 ÷ 12 = 91.67).

Formula and Example For Calculating Interest on a Add-on Loan

Add-on Loan

$$\text{Interest Rate} = \frac{2 \times \text{No. of Payments} \times \text{Interest Charges in \$'s}}{\text{Beginning Principal} \times \text{Years} \times (\text{No. of Payments} + 1)}$$

Example: The same loan and interest rate that was shown for simple interest is used.

$600.00 x .10 = $60.00 $660.00 = total payments

$$\frac{2 \times 12 \times 60}{600 \times 1 \times 13} = .184 \text{ or } 18.4\ \% \text{ true interest}$$

4. Ways in Which Funds or Credit Are Provided

There are four ways in which credit might be obtained. These are the direct method, agency or middleman method, pooling or bond system, and indirect method.

Using the direct method, the investor or borrower finds the borrower or lender, negotiates the loan, and makes or receives the loan directly to the borrower or lender. Individuals use this method.

With the second method, agency, the agency represents the investor and negotiates the loan.

The investor holds the note or mortgage, which serves as collateral for the loan. Lawyers and real estate brokers serve as agents for some investors. Other examples are representatives and correspondents for insurance companies. A representative represents the company, is paid a monthly salary by the company, and is responsible for making loans. A correspondent also represents the insurance company and performs the same services as the representative, but he/she receives a percentage of the interest for the length of the loan as payment for his/her services.

The pooling method is used by an agency who sells bonds to obtain funds for making loans. Mortgages serve as collateral for the bonds. The Federal Land Bank and Intermediate Credit Banks use this method to obtain funds.

Using the indirect method, the credit agency borrows money from investors and lends it. An example would be a commercial bank or savings and loan lending the funds provided by savings accounts and certificates of deposits (CD's).

TOPIC: SOCIAL SECURITY

OBJECTIVE: To acquaint the students with the social security programs and benefits that accrue for those who participate in the programs.

REFERENCE: Information Sheet, "Social Security"

STUDENT ACTIVITIES:

1. Read information sheet and participate in discussion of questions.
2. Students who do not have social security numbers should secure application forms from local Social Security Administration office and make application.

SUGGESTED TEACHER ACTIVITIES:

1. Lead class in a discussion of questions.
2. Make arrangements for social security representative to explain program benefits to class.
3. Assist students who do not have social security numbers in completing application for numbers.

QUESTIONS AND ANSWERS:

1. What are the basic programs included in the Social Security Act?
   Old-age, survivors, disability, and health insurance.

2. What percent of the employee's earnings are contributed to social security?
   1981 - 6.65 percent on earnings up to $29,700
   1982 - 84 - 6.70 percent on all earnings
   1985 - 7.05 percent on all earnings
   1986 - 1989 - 7.15 percent on all earnings

3. At what age may a worker retire and receive retirement benefits?
   A worker may retire as early as age 62, but benefits are at a reduced rate. Maximum retirement benefits are received when retiring at age 65.

4. When may disability benefits be received by a worker?
   A worker may receive disability benefits before age 65 if he/she has a physical or mental condition that prevents working for at least 12 months, or is expected to result in death.

5. At what rate does the self-employed contribute to social security?
   At about 1½ times the employee rate.

6. List some ways in which the social security number is used.
   a. By the Internal Revenue Service to identify tax returns
   b. By Social Security Administration to record payments
   c. Used later to claim social security benefits

Information Sheet
on
SOCIAL SECURITY

In the early history of the United States, a large percentage of the population made their living from the soil. The country had rich soils and an abundance of natural resources, and people lived in a close family group in an economically self-contained society. As the country became industrialized and more people moved to town, workers found themselves dependent on a continuous income. An interruption of income, caused by misfortune or a disaster, could mean destitution and poverty.

During colonial times, people in the towns and villages recognized an obligation to assist needy individuals, and assistance was provided to those in need. However, the need for assistance became so great, the communities were unable to dispense to the needy without repressing and discouraging many of those in need.

Prior to the passage of the Social Security Act of 1935, many programs and plans had been established by states and the federal government to assist those in need; however, they were inadequate. The original Act was passed for the purpose of providing monthly cash benefits for retired workers and a Federal-State system of unemployment insurance.

Congress has continually expanded the Act to include additional coverage and benefits. Today, approximately 90 percent of the working population are covered by the Act. Almost all jobs in the country are covered by social security. One out of seven persons in the country receives monthly social security checks.

OLD-AGE, SURVIVORS, DISABILITY, AND HEALTH INSURANCE (OASDHI)

This part of the Act provides income to workers and their families when they retire, become disabled, or die. It also provides protection against the high cost of health care during old age.

The OASDHI program was developed around the following basic principles: (1) Work related - the security for the worker is based on his/her work; (2) No means test - an individual earns the right for benefits; (3) Contributory - the worker makes contributions to help finance the program; (4) Compulsory - coverage is compulsory; and (5) Rights are clearly defined in the law - a person's rights and the amount of benefits are clearly defined by law.

Nearly all work performed by citizens and non-citizens, regardless of age and sex, is covered by the Act. Most American citizens working outside of the United States are covered, and those that are not covered are usually included in another federal program.

Benefits are paid from the contributions of employees, employers, self-employed, and general revenue of the Federal Government. Employees and employers contribute equal percentages of the employee's wages. Contribution rates and limits are as follows:

1981 - 6.65 percent on earnings up to $29,700
1982 - 1984 - 6.70 percent on all earnings
1985 - 7.05 percent on all earnings
1986 - 1989 - 7.15 percent on all earnings

A worker may receive retirement benefits as early as age 62, but benefits at this age are at a reduced rate. Maximum retirement benefits are paid when retiring at age 65. The monthly retirement check depends on such factors as age and yearly earnings.

Survivors Benefits - If a worker dies, survivors checks may be paid to certain members of the worker's family. A lump-sum payment of $255 is also made when a worker dies. This payment usually goes to the widow or widower. Survivors insurance also provides cash benefits to young children of a worker who dies and, in some instances to the widow or widower. A divorced wife, grandchildren, or parents in certain cases may also qualify for a monthly check.

Disability Benefits - Disability benefits may be obtained before age 65 if the worker has a physical or mental condition that will prevent him/her from working for at least 12 months, or is expected to result in death.

Health Insurance for the Aged (Medicare) - The social security program was expanded in 1965 to include Medicare, which assures hospital and medical insurance protection to people 65 years of age and older. Medicare has two parts, hospital insurance and medical insurance. Hospital insurance pays a part of the costs of inpatient hospital care and certain types of follow-up care, while the medical insurance pays part of the costs of physican and outpatient hospital services. Insurance premiums for these services at the present time are $8.20 monthly. This fee is paid by the social security recipient. These protections become available at age 65.

SOCIAL SECURITY FOR THE SELF-EMPLOYED

Self-employed individuals, such as owners of businesses and farmers, contribute to social security at about the rate of 1½ times the employee rate. The rates are as follows:

1981 - 9.30 percent on earnings up to $29,700
1982 - 1984 - 9.35 percent on all earnings
1985 - 9.90 percent on all earnings
1986 - 1989 - 10 percent on all earnings

APPLYING FOR A SOCIAL SECURITY NUMBER

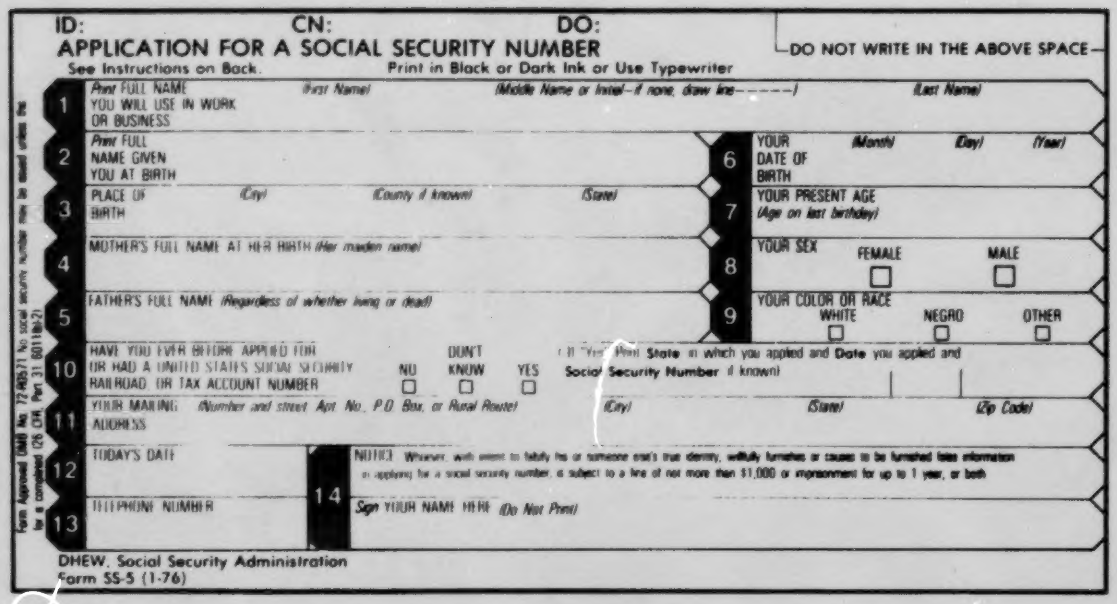
Since most people pay income taxes and the social security number is used by the Internal Revenue Service to identify tax returns, nearly everyone will need a social security number. The number is used by the Social Security Administration to record payments made by a person, and one must use the number later to claim social security benefits.

It is expected that most students in the Cooperative Training in Agriculture course have social security numbers; but for those that do not, it is time to get one. A blank application form is included at the end of the topic. On the back of the form are the instructions for completing the form.

The form used to apply for the social security number is changed by the Social Security Administration as procedures for handling the information changes. However, the general information remains about the same. The latest application form should be used when applying for a number.

SOCIAL SECURITY NUMBER APPLICATION

FRONT



ID: CN: DO:

DO NOT WRITE IN THE ABOVE SPACE

APPLICATION FOR A SOCIAL SECURITY NUMBER

See Instructions on Back. Print in Black or Dark Ink or Use Typewriter

1 Print FULL NAME YOU WILL USE IN WORK OR BUSINESS (First Name) (Middle Name or Initial—if none, draw line-----) (Last Name)

2 Print FULL NAME GIVEN YOU AT BIRTH

6 YOUR DATE OF BIRTH (Month) (Day) (Year)

3 PLACE OF BIRTH (City) (County if known) (State)

7 YOUR PRESENT AGE (Age on last birthday)

4 MOTHER'S FULL NAME AT HER BIRTH (Her maiden name)

8 YOUR SEX FEMALE ☐ MALE ☐

5 FATHER'S FULL NAME (Regardless of whether living or dead)

9 YOUR COLOR OR RACE WHITE ☐ NEGRO ☐ OTHER ☐

10 HAVE YOU EVER BEFORE APPLIED FOR OR HAD A UNITED STATES SOCIAL SECURITY RAILROAD, OR TAX ACCOUNT NUMBER NO ☐ DON'T KNOW ☐ YES ☐ (If "Yes" Print State in which you applied and Date you applied and Social Security Number if known)

11 YOUR MAILING ADDRESS (Number and street, Apt. No., P.O. Box, or Rural Route) (City) (State) (Zip Code)

12 TODAY'S DATE

13 TELEPHONE NUMBER

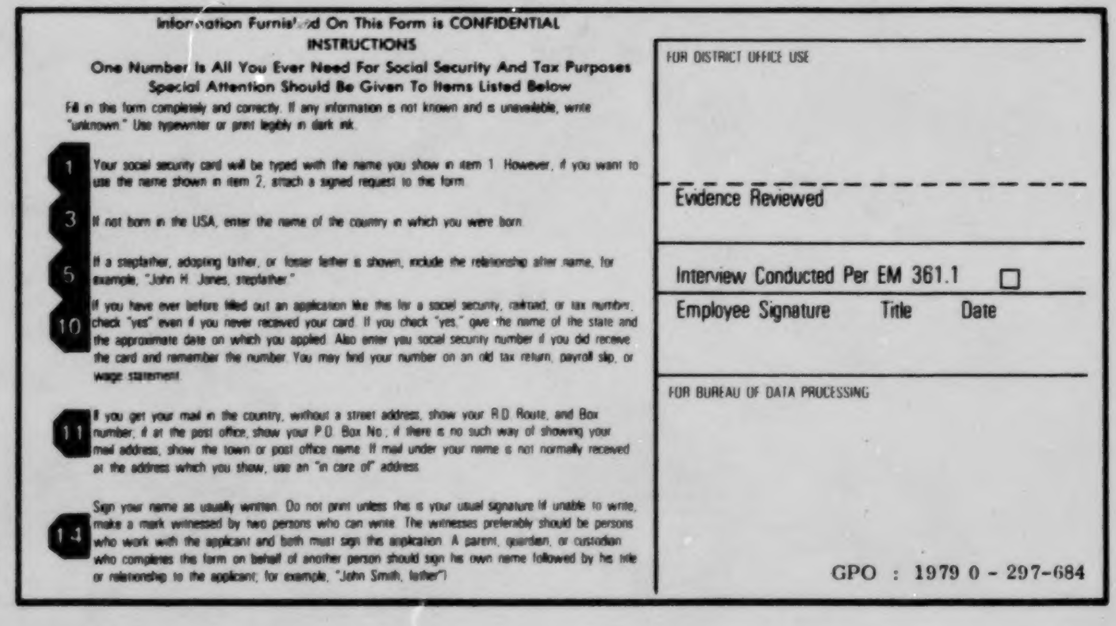
14 NOTICE: Whoever, with intent to falsify his or someone else's true identity, willfully furnishes or causes to be furnished false information in applying for a social security number, is subject to a fine of not more than $1,000 or imprisonment for up to 1 year, or both

Sign YOUR NAME HERE (Do Not Print)

Form Approved OMB No. 72-R0571 No social security number may be issued unless the for a completed (26 CFR, Part 31 6011(b)-2)

DHEW, Social Security Administration
Form SS-5 (1-76)

BACK



Information Furnished On This Form is CONFIDENTIAL

INSTRUCTIONS

One Number Is All You Ever Need For Social Security And Tax Purposes
Special Attention Should Be Given To Items Listed Below

Fill in this form completely and correctly. If any information is not known and is unavailable, write "unknown." Use typewriter or print legibly in dark ink.

1 Your social security card will be typed with the name you show in item 1. However, if you want to use the name shown in item 2, attach a signed request to this form.

3 If not born in the USA, enter the name of the country in which you were born.

5 If a stepfather, adopting father, or foster father is shown, include the relationship after name, for example, "John H. Jones, stepfather."

10 If you have ever before filled out an application like this for a social security, railroad, or tax number, check "yes" even if you never received your card. If you check "yes," give the name of the state and the approximate date on which you applied. Also enter you social security number if you did receive the card and remember the number. You may find your number on an old tax return, payroll slip, or wage statement.

11 If you get your mail in the country, without a street address, show your R.D. Route, and Box number; if at the post office, show your P.O. Box No.; if there is no such way of showing your mail address, show the town or post office name. If mail under your name is not normally received at the address which you show, use an "in care of" address.

14 Sign your name as usually written. Do not print unless this is your usual signature. If unable to write, make a mark witnessed by two persons who can write. The witnesses preferably should be persons who work with the applicant and both must sign this application. A parent, guardian, or custodian who completes the form on behalf of another person should sign his own name followed by his title or relationship to the applicant; for example, "John Smith, father")

FOR DISTRICT OFFICE USE

Evidence Reviewed

Interview Conducted Per EM 361.1 ☐

Employee Signature Title Date

FOR BUREAU OF DATA PROCESSING

GPO : 1979 0 - 297-684

TOPIC: INCOME TAX RETURNS

OBJECTIVE: To acquaint the students with the Federal income tax and requirements for compliance.

REFERENCE: Information Sheet, "Income Tax Returns"

STUDENT ACTIVITIES:

1. Read the latest edition of "Understanding Taxes" and complete crossword puzzle on the back of the publication.
2. Read information sheet and be prepared to discuss questions in class.

SUGGESTED TEACHER ACTIVITIES:

1. Secure "Teaching Taxes Kit" from regional IRS office.
2. Provide each student with the latest edition of "Understanding Taxes."
3. Require students to complete crossword puzzle on back of "Understanding Taxes."
4. Review the different income tax forms included in kit in class.
5. Lead a discussion of questions.

QUESTIONS AND ANSWERS:

1. What are the primary sources from which the Federal government receives revenue?
    a. Individual and corporate income taxes
    b. Social security and other insurance and retirement taxes
    c. Excise taxes
    d. Federal reserve deposits, custom duties, estate and gift taxes, and miscellaneous receipts.
    e. Other (borrowing, bonds, etc.)

2. How did the government spend each dollar of its revenue in preceding years?
    (These vary from year to year.)
    a. 34 cents income security
    b. 4 cents veterans
    c. 4 cents transportation
    d. 24 cents national defense
    e. 10 cents net interest
    f. 5 cents education, training, and social service
    g. 10 cents health

3. How is Form W-4 used?
    It is used by employer to determine the amount of income tax to withhold from an employee's wages. It may also be used by the employee in eliminating withholdings from earnings. This form may be of particular value to students. A Form W-4 must be filed by employee on each change of jobs.

Income Tax Returns
(Questions & Answers continued)

4. What two accounting periods may a taxpayer select from?
   a. Calendar year (January 1 - December 31)
   b. Fiscal year (any other 12-month period)

5. What are the two methods of accounting and how do they differ?
   a. Cash method - All items of income and expenses are reported in the year in which they occur.
   b. Accrual method - Income is credited to year in which it was earned, and expenses are deducted when they are incurred rather than when they are paid.

6. What is the principal difference between Forms 1040A and 1040?
   Form 1040A, short form, may be used if all income is from wages, salaries, tips, other employee compensations, and interest and dividends. Expenses are not itemized on returns.

   Form 1040 is used when expenses are itemized.

Information Sheet
on
INCOME TAX RETURNS

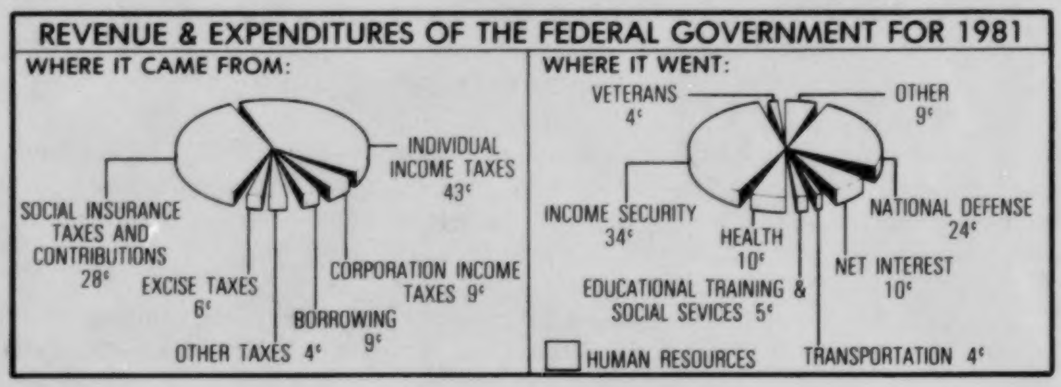
Taxes and History

Taxes in the United States follow very closely the history of the country. At one time, the citizens of this country did not have a voice in the amount of tax, or where the tax revenue would be spent. The American Revolution was fought because the citizens did not have a voice in tax matters. Some consider the tax paid by New Englanders in 1646 on certain occupations as the forerunner of the income tax. The tremendous cost of the Civil War, which began in 1861, made it necessary for the Federal government to devise some system of taxation to raise money. In July 1862, President Lincoln signed into law a bill which taxed incomes, public utilities, occupations, and other items. The law also provided a permanent tax collecting agency, the Bureau of Internal Revenue, the forerunner of the Internal Revenue Service. After the end of the war, the need for revenue declined, and the income tax law was repealed.

The legality of the Federal government to tax incomes is questioned by some people today as it was during the Civil War. The Sixteenth Amendment to the Constitution, which was passed in 1909 and ratified by two-thirds of the states by 1913, provided the Federal government authority to levy and collect taxes on incomes.

Revenue from income taxes has increased as agricultural and industrial developments have progressed. Income tax receipts were one billion dollars in 1917, while in 1981 individuals paid $285.6 billion and corporations paid $61.1 billion in income taxes. Other income of the Federal government was social security and other insurance and retirement taxes, $186.4 billion; excise taxes, $40.8 billion; and Federal reserve deposits, custom duties, estate and gift taxes, and miscellaneous receipts, $28.7 billion.

REVENUE & EXPENDITURES OF THE FEDERAL GOVERNMENT FOR 1981



FILING AN INCOME TAX

The income tax system in the United States is based on voluntary compliance. Voluntary compliance places the responsibility for filing an income tax on the individual. If an accountant compiles the person's tax returns, the individual is responsible for the accuracy of the returns. The individual must also determine his/her amount of tax liability. Either the tax must be paid or a request for a refund is submitted.

The following chart, based on filing status, shows the minimum amount of gross income which must have been received in 1980 before a return was required to be filed:

Single	$3,300
Single (age 65 or older)	4,300
Married, filing a joint return	5,400
Married, filing a joint return (one spouse age 65 or older)	6,400
Married, filing a joint return (both spouses age 65 or older)	7,400
Married, filing a separate return	1,000
Surviving spouse (qualifying widow(er) with dependent child)	4,400

In addition, a person must file a return if any of the three following requirements apply:

1. Received tips from which social security tax was not withheld, even if gross income was less than $3,300;
2. If a person is in a business for himself/herself and had net earnings of $400 or more from that business; and
3. A person has unearned income of $1,000 or more, such as interest or dividends, and can be claimed as a dependent by parents.

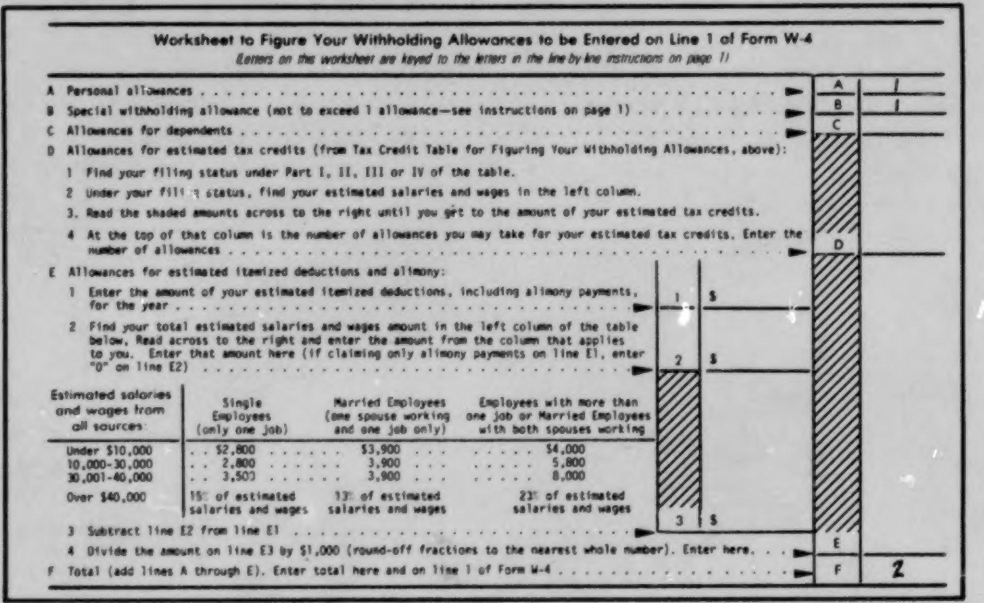
EMPLOYEE'S FIRST JOB

The Federal income tax system operates on a pay-as-you-go basis. An employer generally must withhold income taxes from each employee's pay in each pay period. One factor used to determine the amount of tax to be withheld is the number of allowances claimed by the employee on Form W-4.

On page 2 of Form W-4 is a worksheet for determining withholding allowances. The example on the form shows two allowances, one personal allowance and one special allowance.

Income Tax Returns
(Information Sheet continued)

PART OF PAGE 2, FORM W-4



Worksheet to Figure Your Withholding Allowances to be Entered on Line 1 of Form W-4

Letters on this worksheet are keyed to the letters in the line by line instructions on page 1)

A Personal allowances . . . . ▶ A 1

B Special withholding allowance (not to exceed 1 allowance—see instructions on page 1) . . . . . . ▶ B 1

C Allowances for dependents . . . . ▶ C

D Allowances for estimated tax credits (from Tax Credit Table for Figuring Your Withholding Allowances, above):

1 Find your filing status under Part I, II, III or IV of the table.

2 Under your filing status, find your estimated salaries and wages in the left column.

3. Read the shaded amounts across to the right until you get to the amount of your estimated tax credits.

4 At the top of that column is the number of allowances you may take for your estimated tax credits. Enter the number of allowances . . . . ▶ D

E Allowances for estimated itemized deductions and alimony:

1 Enter the amount of your estimated itemized deductions, including alimony payments, for the year . . . . ▶ 1 $

2 Find your total estimated salaries and wages amount in the left column of the table below, Read across to the right and enter the amount from the column that applies to you. Enter that amount here (if claiming only alimony payments on line E1, enter "0" on line E2) . . . . ▶ 2 $

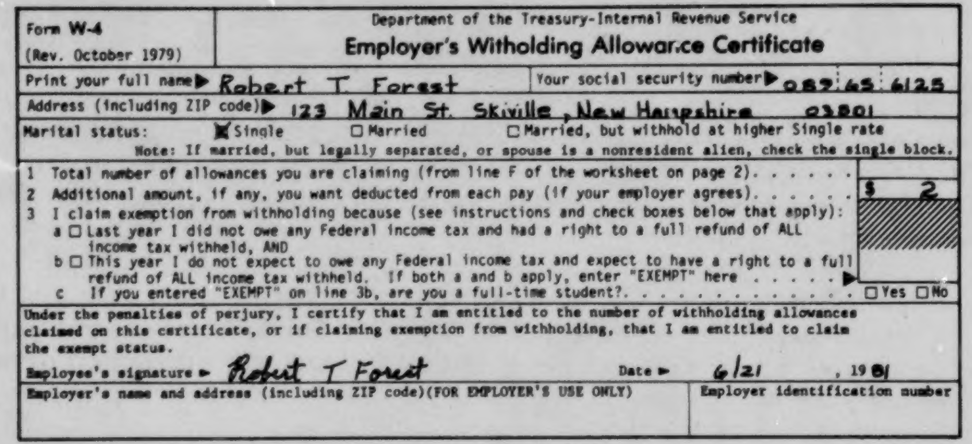
Estimated salaries and wages from all sources	Single Employees (only one job)	Married Employees (one spouse working and one job only)	Employees with more than one job or Married Employees with both spouses working
Under $10,000	$2,800	$3,900	$4,000
10,000-30,000	2,800	3,900	5,800
30,001-40,000	3,500	3,900	8,000
Over $40,000	15% of estimated salaries and wages	13% of estimated salaries and wages	23% of estimated salaries and wages

3 Subtract line E2 from line E1 . . . . ▶ 3 $

4 Divide the amount on line E3 by $1,000 (round-off fractions to the nearest whole number). Enter here. . . ▶ E

F Total (add lines A through E). Enter total here and on line 1 of Form W-4 . . . . ▶ F 2

PART OF FRONT PAGE, FORM W-4



Form **W-4**
(Rev. October 1979)

Department of the Treasury-Internal Revenue Service

Employer's Witholding Allowance Certificate

Print your full name ▶ Robert T. Forest

Your social security number ▶ 087 45 6125

Address (including ZIP code) ▶ 123 Main St. Skiville, New Hampshire 03801

Marital status: ☒ Single ☐ Married ☐ Married, but withhold at higher Single rate

Note: If married, but legally separated, or spouse is a nonresident alien, check the single block.

1 Total number of allowances you are claiming (from line F of the worksheet on page 2) . . . . . .

2 Additional amount, if any, you want deducted from each pay (if your employer agrees) . . . . . . $ 2

3 I claim exemption from withholding because (see instructions and check boxes below that apply):

a ☐ Last year I did not owe any Federal income tax and had a right to a full refund of ALL income tax withheld, AND

b ☐ This year I do not expect to owe any Federal income tax and expect to have a right to a full refund of ALL income tax withheld. If both a and b apply, enter "EXEMPT" here . . . . . ▶

c If you entered "EXEMPT" on line 3b, are you a full-time student? . . . . ☐ Yes ☐ No

Under the penalties of perjury, I certify that I am entitled to the number of withholding allowances claimed on this certificate, or if claiming exemption from withholding, that I am entitled to claim the exempt status.

Employee's signature ▶ Robert T Forest Date ▶ 6/21, 1981

Employer's name and address (including ZIP code)(FOR EMPLOYER'S USE ONLY)

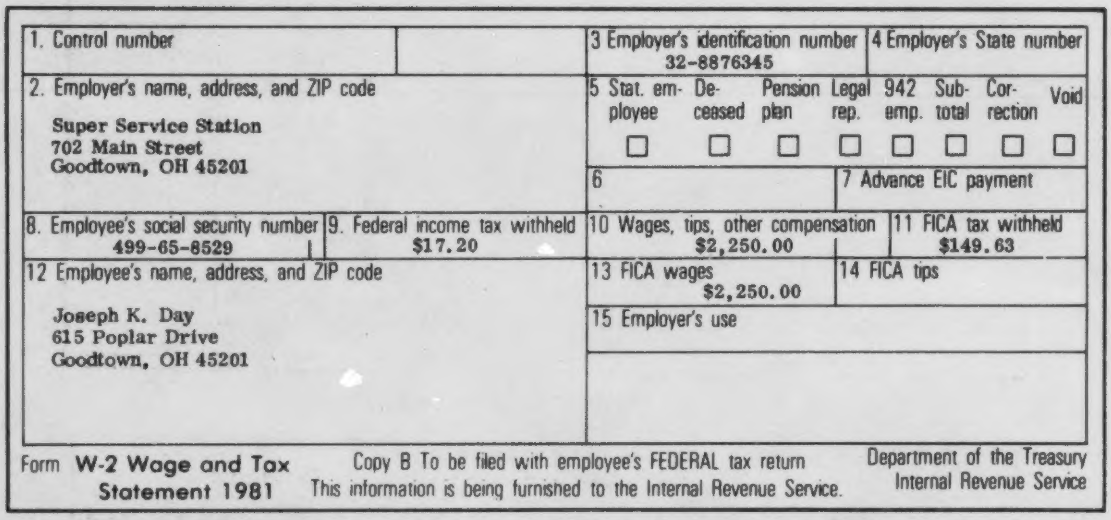
Employer identification number

------------------------------------ Detach along this line ------------------------------------

The front of Form W-4 also shows two allowances and reflects those shown on the worksheet. A new Form W-4 must be filed with the employer when conditions change that would affect income tax liability. It is the worker's responsibility to request a new form. Also, when a person changes employers, a new Form W-4 must be filed.

WAGE AND TAX STATEMENT

The Wage and Tax Statement, Form W-2, is a record of the wages an employee was paid, the amount of Federal income tax withheld, amount of social security tax withheld, and the wages, tips, and other pay received. The statement is prepared by the employer. If an employee works until the end of the year, the employer is required to send the Form W-2 to the employee by January 31 of the following year. If the employee works only a part of the year, the employer may send the Form W-2 shortly after the employee leaves the job.



1. Control number

2. Employer's name, address, and ZIP code
Super Service Station
702 Main Street
Goodtown, OH 45201

3 Employer's identification number 32-8876345

4 Employer's State number

5 Stat. employee ☐ Deceased ☐ Pension plan ☐ Legal rep. ☐ 942 emp. ☐ Subtotal ☐ Correction ☐ Void ☐

6

7 Advance EIC payment

8. Employee's social security number 499-65-8529

9. Federal income tax withheld $17.20

10 Wages, tips, other compensation $2,250.00

11 FICA tax withheld $149.63

12 Employee's name, address, and ZIP code
Joseph K. Day
615 Poplar Drive
Goodtown, OH 45201

13 FICA wages $2,250.00

14 FICA tips

15 Employer's use

Form **W-2 Wage and Tax Statement 1981**
Copy B To be filed with employee's FEDERAL tax return
This information is being furnished to the Internal Revenue Service.
Department of the Treasury
Internal Revenue Service

If an employee fails to receive a Form W-2 by February 15, he/she should call the telephone number of the Internal Revenue Service listed for the area and report same. Should an employee receive a Form W-2 with an incorrect entry, the employer should be requested to issue a corrected Form. On the corrected copy, the correction block under No. 5 should be checked.

Four copies of the Form W-2 are completed by the employer. Copy A is sent to Social Security Administration by employer; Copy B is filed with employee's tax return; Copy C is for employee's record; and one copy is filed by employee with tax return in those states having state income taxes. The employer also may retain a copy.

FACTORS TO BE CONSIDERED BY BEGINNING TAXPAYER

The beginning taxpayer should determine the kind(s) of records to be kept, accounting period, and accounting method to be used. The records necessary to analyze a business can be used for computing income taxes. However, to accurately determine income and compute income taxes, records must be accurate.

Accounting Periods

The taxpayer may use either of two accounting periods, (1) calendar year or (2) fiscal year. The calendar year, used by most taxpayers, is a 12-month period from January 1 through December 31. The fiscal year is a 12-month period and may end on the last day of any month except December. A taxpayer must choose the accounting period when filing the first income tax returns. To change the period, approval must be secured from the Internal Revenue Service.

Accounting Methods

The purpose of any accounting method is to reflect income and expenses accurately. The two methods used by taxpayers are the (1) cash method and the (2) accrual method. When using the cash method, the taxpayer reports all items of income in the year in which they were actually received, or they are credited to his account and are made available on demand. Expenses are deductible only in the tax year in which they are paid. The taxpayer using the accrual method of accounting credits income to the year in which it was earned, whether it has been received or not; and expenses are deducted when they are incurred rather than when they are paid.

Income Tax Forms

Many taxpayers have a choice as to which form, Form 1040A or Form 1040, is used for filing returns. These forms are often referred to as the short form and the long form. The Form 1040A is the simpler form. It may be used if all income is from wages, salaries, tips, other employee compensations, and interest and dividends. There are, however, deductions and credits that cannot be claimed on Form 1040A that can be claimed on Form 1040. Form 1040 requires the taxpayer to itemize deductions. Several sheets make up this form. After filing the first income tax return, the IRS generally mails the proper forms, with instructions, to the taxpayer.

April 15 is the due date on which most taxpayers must file their returns if they file on the basis of a calendar year, January 1 - December 31. Should April 15 fall on a Saturday, Sunday, or legal holiday, the taxpayer may mail the returns the next day.

Income tax returns are mailed to the region IRS. The address of the regional office is listed on the instructions. A self-addressed envelope is included with the forms and instructions mailed to taxpayer.

TOPIC: DEPRECIATION

OBJECTIVE: To assist students in understanding depreciation and the procedures and methods used to calculate it.

REFERENCE: Information Sheet, "Depreciation"

STUDENT ACTIVITIES:

1. Learn the depreciation terms.
2. Compute depreciation of an item using ACRS, straight-line, and declining-balance methods.

SUGGESTED TEACHER ACTIVITIES:

1. Assist students in learning depreciation terms and lead a discussion of each.
2. Explain the different methods used to calculate depreciation.

QUESTIONS AND ANSWERS:

1. What is depreciation?
   The loss in value and service capacity of an item caused by use, weathering, or obsolescence.

2. Why is depreciation important to a business?
   It is important in making management decisions and is a major business expense.

3. Compare ADR with ACRS and explain difference.
   The ADR system was based on a depreciable item's useful life, while under ACRS the cost or other basis of a depreciable asset is recovered in a specific period of time. ACRS is an accelerated recovery system.

4. How is the annual depreciation calculated for personal property using ACRS?
   It is calculated by applying a statutory percentage to the unadjusted basis. For example, the basis of a depreciable item classed as 3-year property would be multiplied by 25 to calculate the amount of the first year's depreciation.

5. Calculate the annual depreciation of an item with a basis of \$8,000 and a useful life of 8 years using the straight-line method.

$$\$8,000 \div 8 = \$1,000 = \text{Annual depreciation}$$

6. Calculate the first year of depreciation for the same item as in No. 5 by the 150-percent declining-balance method.

$$\$8,000 \times \frac{1.5}{8} = \$1,500 \text{ First year's depreciation}$$

Calculate the second year of depreciation for the same item.

$8,000 - 1,500 = $6,500 basis

$$\$6,500 \times \frac{1.5}{8} = \$1,218.75 \text{ Second year's depreciation}$$

7. What is investment tax credit?
It is a credit that may be used to reduce income taxes when certain new or used tangible personal property is purchased for use in a business.

8. What is the maximum investment tax credit that may be taken on property eligible for the 3-year recovery period?
6 percent

9. What is meant by the term expensing?
The reducing of income taxes through the deduction of the cost of certain types of property in the year in which they were purchased. The amount that may be expensed in 1982 and 1983 is $5,000.

Information Sheet
on
DEPRECIATION

Depreciation is defined as the loss in value and service capacity of an item caused by use, weathering, or obsolescence. Since depreciation of machinery, equipment, buildings, etc. is a major business expense, it is a principal consideration in making management decisions. Managers and owners of businesses should be familiar with depreciation regulations and not depend solely on tax accountants for depreciation regulations.

The Economic Recovery Act of 1981 changed many of the regulations governing the calculating of depreciable property. Prior to the passage of the new act, an Asset Depreciation Range (ADR) System was used. This system was based on a depreciable item's useful life. Under the new law ADR was replaced with an Accelerated Cost Recovery System (ACRS). With ACRS the cost or other basis of a depreciable asset is recovered in a specific period of time. In most instances, the write-off periods under the new system are substantially shorter than the useful life under the prior law. ACRS must be used for depreciable items placed in service after 1980. However, property owned or used by the taxpayer prior to 1981 must be depreciated under ADR using the method that was in use.

DEPRECIATION TERMS

In order to understand depreciation regulations, it is essential to know the meanings of certain terms. The more common ones are listed and discussed below:

Adjusted Basis - The remaining value of a depreciable item after subtracting the value of a trade-in, or the amount to be depreciated after subtracting the amount taken for investment credit, or the amount to be depreciated after subtracting the amount that has previously been depreciated (a practice where using declining-balance method).

Basis - The acquisition cost or value of an item. The basis of an outright purchase is the price paid.

Expensing - Is the immediate deducting of the expense of an item of tangible personal property. The amount that may be expensed will increase and be phased in over a 5-year period.

Capital Item - A term used for items that may be depreciated. Machinery, equipment, vehicles, and single-purpose buildings are examples.

New Nonresidential Real Property - New nonresidential buildings used in a business.

Personal Property - Property such as machinery and equipment that is not real estate.

Real Property - Is land and generally anything that is erected on, growing on, or attached to land. Land itself is never depreciable.

Intangible Property - Property such as a copyright or franchise and that cannot be seen.

Tangible Property - Property that can be seen or touched.

DEPRECIATION PERIODS

The recovery periods under ACRS are 3 years, 5 years, 10 years, and 15 years.

RECOVERY PERIODS FOR SOME ASSETS

Asset	Recovery Period years
Light Pickup, Car, Certain Special Tools	3
Machinery, Equipment, Land Improvements	5
Single-Purpose Structures	5
Manufactured Homes (Mobile Homes)	10
Buildings and Real Property	15

DEPRECIATION METHODS

Several factors influence the method to be used in determining depreciation. There are also differences in the methods that may be used to calculate depreciation for personal and real property.

Personal Property

Under the new act, the depreciation deductions for personal property placed in service after 1980 are determined by applying a statutory percentage to the unadjusted basis (actual cost or basis) of the property. The statutory percentages vary somewhat for property placed in service for the years 1981 through 1985. After 1985 the statutory percentage will be constant. According to the Economic Research service, USDA, the percent for the years 1981 - 1984, is equal to a 150-percent declining-balance method. For 1985, the statutory percentage is equal to 175-percent declining-balance; and in 1986 and thereafter, it equals to the 200-percent declining-balance method.

ANNUAL DEPRECIATION DEDUCTIONS

Recovery year	Type of Property								
	3 year			5 year			10 year		
	Dec. 31, 1980 to Jan. 1, 1985	1985	After 1985	Dec. 31, 1980 to Jan. 1, 1985	1985	After 1985	Dec. 31, 1980 to Jan. 1, 1985	1985	After 1985
	---	Percent	---	---	Percent	---	---	Percent	---
1	25	29	33	15	18	20	8	9	10
2	38	47	45	22	33	32	14	19	18
3	37	24	22	21	25	24	12	16	16
4				21	16	16	10	14	14
5				21	8	8	10	12	12
6							10	10	10
7							9	8	8
8							9	6	6
9							9	4	4
10							9	2	2

Real Property

Depreciation deductions for real property are based on the 175-percent declining-balance method with a switch to the straight-line method. Real property is depreciated on the basis of the number of months it is actually in service during the tax year. IRS Publication 534 contains a table showing the percentages that may be taken based on the month a depreciable item is placed in service. The recovery period for real property is 15 years.

In addition to a specific time period at a specific rate, taxpayers have the option to use one of two recovery periods provided for each class of property. The full cost or basis is depreciable under ACRS.

OPTIONAL DEPRECIATION RECOVERY PERIODS

Asset class	Optional periods
	Years
3-year	5 and 12
5-year	12 and 25
10-year	25 and 35
15-year	35 and 45

The taxpayer may also elect to use the straight-line method of calculating depreciation rather than the accelerated recovery periods. This provides some flexibility. ACRS will not apply if a method of depreciation is used which is not expressed in terms of years. Also, the taxpayer may not convert personal property owned or used prior to 1981 to ACRS.

CALCULATING DEPRECIATION BY VARIOUS METHODS

If ACRS is used, the statutory percentage allowed for the class of property is multiplied by the unadjusted basis.

Example: A piece of equipment with a basis of $10,000 and a 5-year recovery period.
$10,000 x .15 = $1500.00 First year's depreciation

Using the straight-line method of depreciation, the basis is divided by the number of years of useful life and the remainder is the amount of the first and succeeding years of depreciation.

Example: A piece of equipment with a basis of $10,000 and a useful life of 12 years.
$10,000 ÷ 12 = $833.33 Amount of depreciation per year for the 12-year period.

Although the declining-balance method of depreciation may not be used for property placed in service in 1981 and thereafter, it may have been and is still being used for property placed in service prior to 1981. Either 150-, 175-, or 200-percent declining-balance could be used, depending upon the property and whether it was new or used when acquired.

Example: A piece of equipment with a basis of $10,000 and a 10-year useful life.

$$\text{Formula: Adjusted Balance} \times \frac{(1.5,\ 1.75,\ \text{or } 2.0)}{\text{Useful life}} = \text{Annual Depreciation}$$

$$\$10{,}000 \times \frac{2}{10} = \$2{,}000 \text{ First year's depreciation}$$

INVESTMENT TAX CREDIT

Investment tax credit can be used to reduce taxes when certain new or used tangible personal property is purchased and used in a trade or business. Up to 10 percent of the cost of a qualifying investment may be reduced by this method. Machinery, equipment, and single purpose structures usually qualify for investment credit.

Investment credit for eligible property with a 3-year recovery period is 6 percent, while eligible property with a recovery period of 5, 10, or 15 years is 10 percent.

The maximum investment credit for any tax year is the tax liability for that year or $25,000 plus 90 percent of the tax liability in excess of $25,000, whichever is less. The carryover period is 15 years (investment tax credits can be carried forward 15 years).

Fifteen percent credit is allowed on the rehabilitation of structures at least 30 years old, and a 20-percent credit may be taken for the rehabilitation of structures at least 40 years old. To qualify for the credit, the structure must be substantially rehabilitated. Also the expenditures during the 24-month period ending on the last day of the taxable year must exceed the greater of the adjusted basis of such property or $5,000. The accelerated methods of depreciation may not be used for such expenditures. In addition, the basis of such property improvements for depreciation purposes must be reduced by the amount of the credit. Thus, a business receiving a 20-percent credit for rehabilitation expenditures on the rehabilitation of a 40-year-old structure would be allowed to depreciate only 80 percent of the cost of the expenditure.

EXPENSING

Expensing is the deduction of the cost of certain types of property for tax purposes in the year in which it was purchased. Until the passage of the Economic Recovery Act of 1981, there was no such provision. New or used personal property may be expensed in the amount of $5,000 in 1982 and 1983. The amount increases to $7,500 for 1984 and 1985 and to $10,000 for each year after 1985.

Expensed property is not eligible for investment tax credit. Also, expensed property will be ineligible for the deferral of gain under an installment sale. Gain on an installment sale of expensed property must be immediately recognized.

TOPIC: LIFE AND HOSPITALIZATION INSURANCE

OBJECTIVE: To acquaint students with the basic types of life and hospitalization insurance in order that they may better assess their insurance needs.

REFERENCE: Information Sheet, "Life and Hospitalization Insurance"

STUDENT ACTIVITY:

Become familiar with the types of insurance policies and coverages by reading information sheet.

SUGGESTED TEACHER ACTIVITIES:

1. Lead class in a discussion of the questions.
2. Invite a reputable insurance representative to discuss basic insurance programs and policies with the class.

QUESTIONS AND ANSWERS:

1. List the more common types of life insurance policies.
    a. Term life insurance
        (1) Level-term life
        (2) Decreasing term
    b. Straight or whole life insurance
    c. Limited payment life insurance
    d. Endowment insurance
    e. Family plan

2. Why is it important to update an insurance policy at certain intervals? In order to be sure that changing requirements are met. It may be necessary to make such changes as method of settlement, beneficiaries, or to include an uninsured child.

3. What is the normal "grace period"? One month is the normal grace period. Unless the policy contains a clause with an automatic loan provision, the policy will lapse after the "grace period."

4. Why is it usually not advisable to purchase double indemnity provision? The extra expense usually does not justify it, since only 7 percent of the deaths are accidental.

5. What are the three functions of health insurance?
    a. Protect the insured against financial hardships due to illness or injury.
    b. Cover the cost of medical care in order to assure competent treatment.
    c. Protect creditors by insuring the policy holder's ability to repay debt.

6. List the four types of health insurance.
   a. Hospital expense
   b. Surgical expense
   c. Regular medical expense
   d. Major medical expense

Information Sheet
on
LIFE AND HOSPITALIZATION INSURANCE

Life insurance is unique in that it treats each person's eventual death as a "risk," the same way that another phase of insurance treats the possibility of crop damage as a "risk." Even though death is a certainty, we do not know when it will occur. Life insurance works the same as other phases of insurance because the cost of one person's untimely death and the resultant expenses incurred are distributed to a large number of persons.

There are two basic reasons for owning life insurance: (1) provides protection against loss of income due to the premature death of the breadwinner and (2) allows for systematic savings and investment.

The first concern of life insurance should be family protection in case of the untimely death of the head of the household. Certain expenses which must be paid occur in connection with any death. These might include medical bills, burial expenses, and settlement of debts, as well as expenses of settling an estate or finding a new place to live.

Savings and investments can provide money for retirement in later years, or for college education for children. This may be summarized by saying that savings and investments may be converted from potential death benefits into living benefits by providing a retirement fund.

TYPES OF LIFE INSURANCE POLICIES

Term Life Insurance - This is the purest form of life insurance. Ordinarily, the policy expires after a ten or twenty-year period. If death does not occur during this period, the policy is worthless. This is similar to a fire insurance policy in that if the house does not burn during the period the policy is in effect, no return can be credited from the policy. Term insurance can be written in two forms of coverage. Level-Term Life provides the same amount of insurance for the given period of time. Decreasing Term provides a small amount less each year till the end of the term period. Term insurance is ideal to use with credit. If a business borrows a large sum of money, a term policy in the amount of the mortgage can be taken by the owner. In case of death, the mortgage is paid with the insurance policy. Also, more protection is available per dollar of cost than any other type of insurance. A term policy may be convertible, which means that the insured may change it to a permanent policy without having to take a physical examination.

Straight Life or Whole Life Insurance - This type of insurance is continuous throughout the insured person's life, with a premium being paid annually, semi-annually, or quarterly. The insured is certain that the beneficiary will collect the entire value of the policy upon death because the policy can be terminated only by death or failure to pay premiums. Straight life is the most commonly purchased life insurance policy. Premiums are higher initially than for term insurance, but as the policy holder grows older, they become less than for term insurance. This is the least expensive of the permanent-type insurances. This type of policy builds up a cash value; therefore, it contains investment potential.

Limited Payment Life Insurance - This insurance is similar to straight life insurance. The insured pays fixed premiums for a specified period of time only, such as 10, 20, or 30 years, or up to retirement. The premiums are higher in limited-payment insurance because they cover a shorter period of years, and after retirement at age 60 or 65, the insurance protection continues but without the premium costs. Also, the investment portion of this insurance contract is larger than for the straight-life policy. Should death occur before the end of the policy period, the face amount is paid to the designated beneficiary.

Endowment Insurance - This is a method of forced savings which provides for paying a fixed premium for a specified number of years, after which the insured or his/her beneficiary is entitled to the face value of the policy, and the policy protection expires. The cost of this type of policy is the highest of the four discussed because it has the highest level of investment, but the least amount of protection is provided.

Family Plan - This is a form of insurance where the largest amount of insurance is written on the husband and a smaller amount is written on the wife and children. The policy is covered by one premium which remains the same, and additional children are automatically covered with no increase in premium.

Although there are a few other little-used types of policies which do not merit mention here, it is important for the person buying insurance to realize that there are combination policies designed to meet his/her needs and wishes. Under this plan, the basic types of policies can be combined to produce certain advantages, which are usually paid for through higher premiums. One such policy as this is the "family income" policy, which combines term and straight life insurance. This policy insures that the beneficiary will receive a monthly income for a definite period of time after the death of the insured. For example, a 20-year policy is taken out when the insured's son is 2 years old, then the son is assured of an income until the age of 22.

LIFE INSURANCE CONTRACTS

Basic Protection - The basic needs for family protection should be met by straight or term insurance before taking out endowment or limited-payment life insurance. In other words, all possible expenses such as dependents, living costs, sickness, or funeral expenses should be converted first, keeping in mind other sources of income such as savings and social security payments.

Available Group Insurance - Usually, group insurance is available through most employer's or an association. It is good, low cost insurance. It should be considered supplemental to regular insurance instead of a replacement, however.

Updating Insurance - Insurance coverage should be reviewed from time to time in order to be sure changing requirements are met. It may be necessary to change method of settlement, beneficiaries, or to insure a child born after the present policy went into effect.

Lapsed Policies - Usually, an insurance policy will expire within one month of a missed premium payment. This is the "grace period." An "automatic loan" provision may be included in the policy, under which the company pays the premium and charges it against the policy as a loan.

Non-forfeiture Values - These are available for all policies except term insurance but only after premiums have been paid, without penalty, for specified periods ranging from one to three years. After this period, the insured has four options from which to choose:

(1) The insured may take the cash surrender value.
(2) The insured may purchase extended term insurance for the full face value of the policy.
(3) The insured may purchase paid-up insurance for any amount less than the face value of the original policy.
(4) Some companies offer an automatic premium loan as an option, or the insured may choose to have the option of renewing his old policy by passing a medical exam and paying overdue premiums plus interest in a specified period of time from the expiration date.

Also after the non-forfeiture clause has gone into effect, you may obtain a cash loan on your policy, often at favorable interest rates.

Cash value - This is the amount of money a policy holder will receive at any time he surrenders his policy. This is similar to a savings account in that the longer the policy is in effect, the more money is put into it, and the larger the interest payments made. The policy can be cashed in to receive the amount of cash, or money can be borrowed against it.

Double Indemnity - This provision promises double payment if death occurs due to accident. Since accidental death makes up only 7% of the total number of deaths, this extra expense is not usually desirable.

Disability Waiver of Premiums - A policy with this provision states that if the insured becomes totally disabled, the premium payment is waived for the period of the disablement but policy protection continues.

Other additional benefits or riders may be added to the insurance contracts for a small additional premium. Examples of these riders which would give the insured additional protection or other benefits are family income rider, mortgage protection rider, level term rider, and decreasing term rider.

HEALTH INSURANCE

Health insurance programs help protect the public against the unforeseen financial burdens of serious illness or injury. Large amounts of money are spent poorly each year on health insurance due to a lack of understanding and knowledge of the various programs available.

Functions of Health Insurance

1. Protect the insured against financial hardships due to illness or injury.
2. Cover the cost of medical care in order to assure competent treatment.
3. Protect creditors by insuring the policy holder's ability to repay debt.

Health insurance is commonly divided into two coverage areas, the more frequent minor expenses and the less frequent major expenses. The prospective insurance buyer needs to decide first which of the two areas, or both, that he wishes to insure against. A family with the income capacity to handle the smaller expenses might be better off to include them in the budget and insure against the larger, more financially crippling losses. On the other hand, families unsuccessful in budgeting may find more advantage in carrying the hospital and surgical insurance. Some type of health insurance is desirable for most families.

Types of Health Insurance

1. Hospital Expense Insurance - Complete or partial payment for hospital room and board is covered by this insurance. Individual policies may cover anesthesia, medication, operating room and X-rays. This is the most widely used health insurance.

2. Surgical Expense Insurance - Payment is provided for all or part of the surgical fees. Usually, the policy lists the various operations and the payment made by the policy for each, with the more severe operations commanding the higher payments.

3. Regular Medical Expense Insurance - This type of policy covers doctor's calls, either at the office or at home. Limits are placed on the number of visits per injury or sickness and also on the number of calls per contract year. This type of policy is not often sold because it can be easily abused.

4. Major Medical Expense - This insurance policy is designed to take up where hospital and medical insurance leaves off. It is designed to handle large medical expenses up to, and even above $15,000. Minor expenses cannot be charged to this policy by virtue of a deductible clause which states that expenses falling below a specified amount will not be covered by the policy. This amount is usually in a range of $25 to $500, with the $500 deductible being the most economical.

Loss of Income Insurance - This pays up to 75% of earnings lost to illness or sickness for a specified period of time. Most companies will not pay more in order to discourage imagined illnesses.

Comprehensive Major Medical Insurance - Usually a custom-made policy is designed to include some of the advantages of both basic and major medical coverage and contains the deductible clause and a maximum coverage amount for the calendar year.

Selecting an Insurance Agent

One should consider:
(1) One that is a full-time, professional underwriter.
(2) An agent that you know or feel is worthy of your business.
(3) One that will be easily obtained in time of need; should it be for a service claim or any type need or service.
(4) One that has a current license to sell insurance.

Selecting an Insurance Company

(1) The financial strength of the company.
(2) The number of years it has been organized and the type service it has given to its policyholders.
(3) The history of dividends, net profits, etc.

TOPIC: AGRICULTURAL MATHEMATICS

OBJECTIVE: To provide a review of the mathematics used in making normal business calculations and increase students' accuracy in making these calculations.

REFERENCE: Information Sheet, "Agricultural Mathematics"

STUDENT ACTIVITIES:

1. Read information sheet and learn the information related to the placement of decimals when adding, multiplying, subtracting, and dividing numbers.
2. Answer questions.

SUGGESTED TEACHER ACTIVITIES:

1. Lead a class discussion of information continued in information sheet.
2. Ask student to calculate problems listed under Questions and Answers.
3. Attempt to improve accuracy of students in the placement of decimals when adding, multiplying, subtracting, and dividing.

QUESTIONS AND ANSWERS:

1. What are the decimal numbers 56.95 and 523.641 composed of? Where is an "and" inserted?
    a. 5 tens, 6 ones, 9 tenths, and 5 hundredths.
    b. 5 hundreds, 2 tens, 3 ones, 6 tenths, 4 hundredths, and one thousandth.

2. How are the following decimal numbers read?
    a. 5.3 - Answer - five and three tenths, or five - point three.
    b. 37.45 - Answer - thirty-seven and forty-five hundredths, or three-seven - point four-five.
    c. 555.63 - Answer - five hundred fifty-five and sixty-three hundredths, or five-five-five - point six-three.
    d. Answer - The "and" is inserted where the decimal point should be.

3. Add the following decimal numbers: 345.50, .60, 3.29, and 26.40.

$$\begin{array}{r} 345.50 \\ .60 \\ 3.29 \\ \underline{26.40} \\ 375.79 \end{array}$$

4. Subtract the following decimal numbers: 122.34 from 6,784.82.

$$\begin{array}{r} 6,784.82 \\ \underline{122.34} \\ 6,662.48 \end{array}$$

5. Multiply the decimal numbers: .263 x 41.56.

$$\begin{array}{r} 41.56 \\ \underline{.263} \\ 12468 \\ 24936 \\ \underline{8312} \\ 10.93028 \end{array}$$

6. Divide the decimal number 7.626 by .123 and check answer.

$$\begin{array}{r} 62. \\ .123\curvearrowright\overline{)7.626}\curvearrowright \\ \underline{7\,38} \\ 246 \\ \underline{246} \end{array} \qquad \text{(check answer)} \qquad \begin{array}{r} 62. \\ \underline{\text{x}.123} \\ 186 \\ 1\,24 \\ \underline{6\,2} \\ 7.626 \end{array}$$

7. Convert the following percentages to decimals:
a. 50% = .50
b. 30% = .30
c. 35% = .35

8. Change the following fractions to percent:
a. 3/4 = .75 = 75%
b. 2/5 = .40 = 40%
c. 2/8 = .375 = 37.5%

9. What percent is $13.12 of $52.48?

$$\begin{array}{r} .25\ \text{or}\ 25\% \\ 52.48\curvearrowright\overline{)13.12\curvearrowright00} \\ \underline{10\,49\,6} \\ 2\,62\,40 \\ \underline{2\,62\,40} \end{array}$$

10. Fifteen percent of a combine carburetor is $9.00. What did the carburetor cost?

15% = $9.00
1% = 9.00 ÷ .15 = .60
100% = .60 x 100 = 60.00 or $60.00

Information Sheet
on
AGRICULTURAL MATHEMATICS

A basic knowledge of arithmetic is essential for many of the Cooperative Training in Agriculture students in their training stations, particularly those in sales positions. Inaccurate calculations cause a loss in self confidence, may cause the loss of a customer, and could cause the owner to dismiss the student. A salesperson must be able to calculate discounts, sales taxes, and total sales. To accurately make these calculations, the student must be competent in arithmetic, which includes addition, subtraction, multiplication, and division.

DECIMAL POINTS

It appears that the placement of the decimal point is the problem most often encountered by students when calculating arithmetic problems. The placement of the decimal point greatly affects a calculation. A decimal point in any one place has ten times as much value as if it were in the next place to the right.

Reading and Using Decimal Numbers

The decimal number 432.456 is composed of 4 hundreds, 3 tens, 2 ones, 4 tenths, 5 hundredths, and 6 thousandths.
Decimal numbers are read as follows:
6.4 - six and four tenths, or six point four.
26.01 - twenty-six and one hundredth, or two-six point 0-one.
432.456 - four hundred thirty-two and four hundred fifty-six thousandths, or four-three-two point four-five-six.

Notice that the word "and" in the above is always inserted where the decimal point should be.

RULES FOR THE USE OF DECIMALS

Adding Decimal Numbers - Decimal points are always placed one under the other.

Example:

$$\begin{array}{r} 345.67 \\ 1.30 \\ .89 \\ \underline{26.78} \\ 374.64 \end{array} \quad \text{(one under the other)}$$

Subtracting Decimal Numbers - The decimal in the number to be subtracted is always placed under the decimal to be subtracted from.

Example:

$$\begin{array}{r} 345.67 \\ \underline{-3.20} \\ 342.47 \end{array}$$

(Under the one to be subtracted from)

Multiplying Decimal Numbers - The number of decimal places in the product (answer) is the sum of the number of decimal places in the two numbers multiplied.

Example: $.34 + 1.5 = 2 + 1 = 3$ decimal places
$.34 \times 1.5 = .510$

Division of Decimal Numbers - The rules for the division of decimals are as follows:

1. The decimal point in the divisor is moved as many places to the right as is necessary to make it a whole number.

   Example: $\underset{\curvearrowright}{.145,}\overline{)}$

2. Decimal in dividend is moved the same number of places.

   Example: $\underset{\curvearrowright}{.145,}\overline{)\underset{\curvearrowright}{.878,}7}$

3. Decimal in quotient is placed directly above decimal in dividend.

   Example: $\underset{\curvearrowright}{.145,}\overline{)\underset{\curvearrowright}{.878,}\overset{\cdot}{}7}$

4. Divide as whole numbers.

   Example:

$$\begin{array}{r@{}r} & 6.06 \\ \underset{\curvearrowright}{.145,} & \overline{).878,70} \\ & \underline{870} \\ & 870 \\ & \underline{870} \\ & 0 \end{array}$$

5. Answer may be checked by multiplying quotient by the original divisor.

   Example:

$$\begin{array}{r} 6.06 \\ \underline{\times\ .145} \\ 3030 \\ 2424 \\ \underline{606} \\ .87870 \end{array}$$

Decimals in Percentage - Percentages are expressed in three ways:

1. Decimally - To write percent decimally, the decimal point is moved two places to the left.

Example: Decimally - .18
18% changed to a decimal : 18% = .18
2.3% changed to a decimal : 2.3% = .023

2. Fractions - To change a fraction to percent, the fraction is changed to decimal form and then the decimal is changed to percent.

Example: Fraction - 5/8 divide 5 by 8

$$\begin{array}{r} .625 = 62.5\% \\ 8\,\overline{)5.000} \\ \underline{4\;8\;\;} \\ 20 \\ \underline{16} \\ 40 \\ \underline{40} \\ 0 \end{array}$$

3. Percent sign - To change decimal to percent, the decimal point is moved two places to the right.

Example: Percent sign %
Change .50 to percent $.\underset{\curvearrowright}{50}.$ = 50% (2 places to right)
Change .75 to percent = 75%

Finding the Percent of a Number - To find the percent of a number, the percent is multiplied by the number. The percent is changed to the decimal form before multiplying.

Example: a 6% discount of a tractor generator costing $65.00.
65.00 x .06 = 3.9000 or $3.90

The Percent One Number is of Another - To make this determination, the first number is divided by the second, and the quotient is changed to percent.

Example: $3.90 is what percent of $65.00?

$$\begin{array}{r} .06 \text{ or } 6\% \\ 65.\underset{\curvearrowright}{00}.\,\overline{)3.\underset{\curvearrowright}{90}.00} \\ \underline{3\;90\;00} \\ 0 \end{array}$$

Determining a Number When Percent is Known - Determine what one percent is and multiply by 100.

Example:

6% of a tractor generator is \$3.90
1% = 3.90 ÷ .06 = .65
100% = .65 x 100 = 65.00 or \$65.00

TOPIC: ESTATE PLANNING

OBJECTIVE: To familiarize the students with the different aspects of estate planning.

REFERENCE: Information Sheet, "Estate Planning"

ACTIVITIES:

1. Lead a discussion of the questions.
2. Ask an attorney to appear before the class and discuss the various legal aspects of estate planning.

QUESTIONS AND ANSWERS:

1. Why is it important that high school students be concerned about estate planning?
   Estate planning is very important because everyone is going to be confronted at some time with a problem related to an estate. Estate problems can influence an individual for the rest of his/her life.

2. What are the purposes of estate planning?
   To exercise the privilege of conserving the estate and minimizing costs

Transparency No. 1

3. List some factors considered in planning an estate.
   a. Will
   b. Trusts
   c. Insurance and savings plans
   d. Money plans
   e. Plans for operating business
   f. Property considerations
   g. Fair market values of property
   h. Beneficiaries
   i. Executor
   j. Administration of estate

4. What was the federal government's intent in taxing property at death?
   To lessen the economic effects of wealth being owned and controlled by a family or other closely-knit group. The purpose was to break up large concentrations of wealth.

5. What is the federal estate tax?
   It is an excise tax on the owner's right to transfer property at death.

6. Why was the federal gift tax enacted?
   To prevent gifts of property which would in effect defeat the estate tax

7. What percentage of a married person's community property in Texas would be in his/her gross estate?
   One-half (50 percent) of community property

8. How much must a gross estate exceed before it is necessary to file an estate tax return?

1982 - $225,000	1985 - $400,000
1983 - $275,000	1986 - $500,000
1984 - $325,000	1987 and later $600,000

9. What determines the Texas inheritance tax?
It is based on the value of property received by a beneficiary.

10. What is the Texas tax exemption for bequests to husband, wife, child, lineal descendants, sons-in law, or daughters-in-law?
Each of these receive a bequest exemption of $25,000.

11. Without a will, how is community property of a deceased person distributed?
One-half of community property belongs outright to the surviving spouse. If there is (are) a child or children, then the one-half portion goes to the child or children. If there is (are) no child or children, the surviving spouse gets the one-half belonging to the deceased.

12. List some disadvantages of not having a will.
    a. Property will be distributed according to state law and not as designated by the deceased.
    b. Problems are created for survivors.
    c. More time and money are required to settle estate.
    d. Impossible to minimize estate and inheritance taxes.

13. What is meant by an independent executor?
This means the executor of an estate can, without court intervention, act with respect to estate property just as if it were his/her own.

14. Why should a will be kept up-to-date and made to fit changing conditions?
Children grow up, tax laws change, and beneficiaries die.

Information Sheet
on
ESTATE PLANNING

High school students are not normally concerned about estate planning. However, it is important because at some time in most everybody's life problems arise relating to an estate. Many of the problems can influence the individual for the rest of his/her life. The purpose of estate planning is to exercise the privilege of conserving the estate, and minimizing costs. Wise planning includes definite plans for the present and future.

Wills, trusts, insurance and savings plans, money plans, plans for operating the business, fair market values, property considerations, beneficiaries, executors, minimizing taxes, and administration of an estate are some of the factors considered in planning.

FEDERAL ESTATE AND STATE INHERITANCE TAXES

Government at every level must have money to perform essential services. Taxes which supply these funds are derived from a broad range of sources. In addition to raising operating money, government has on occasion used its taxing powers to accomplish social purposes.

The original intent of taxing property at death was not to produce revenue, but to lessen the economic effects of wealth being owned and controlled by families or other closely-knit groups. In order to break up large concentrations of wealth, government devised Estate Tax and Inheritance Tax laws. The tax sources have made death taxation a primary revenue source in America today. These laws can have a substantial economic impact on even an estate of modest holdings, and without proper planning the impact on large estates can be devastating.

Death taxes are payable only after death. Since these taxes are not paid on a regular basis like annual income tax, a person may live many years unaware of the broad range and scope of these taxes. A person should become involved in the estate affairs of a close relative in order to gain familiarity with death taxes.

The federal estate tax is not a tax on the estate property directly, but an excise tax on the owner's right to transfer the property at death. Transfers to charity, however, are exempt from the tax. State inheritance tax is based upon the right of one to receive a deceased person's property, and it varies according to the kinship of the beneficiaries to the deceased person. The federal gift tax is a tax on lifetime transfers. This tax was enacted to prevent gifts which would in effect defeat the estate tax. It also is a tax on the donor's right to transfer property to another.

The federal estate tax is easily understood. In computing the tax, one must first determine the amount of the deceased person's gross estate.

The gross estate consists of all property which the deceased owned at death and the value of that property which the deceased gave away in contemplation of death within the three-year period before death or sold for something less than full value. Also, included in the gross estate is property partially given away before death by the deceased person over which he continued to exercise use, control, and enjoyment during life. The Economic Recovery Tax Act of 1981 provided for an unlimited marital deduction for spousal transfers. This applies to both estate and gift tax laws and will virtually eliminate the taxing of property transfers between spouses. However, when the spouse receiving the transfers dies, there is a limit on the amount that can be transferred tax free.

TAX CREDIT EXEMPTION, AND MAXIMUM TAX RATE

Year of Death	Unified Credit	Amount Passing Tax Free	Maximum Tax Rate
1982	$ 62,800	$225,000	65%
1983	79,300	275,000	60%
1984	96,300	325,000	55%
1985	121,800	400,000	50%
1986	155,800	500,000	50%
1987 and later	192,800	600,000	50%

The above applies to gifts as well as to estates. The taxpayer has the option of using the exemption at death, or anticipating that exemption by giving property away during lifetime. The "unified" tax rate schedule applies to all taxable gifts made during life and to the taxable estate. The credit was originated to reduce taxes on gifts and estate transfers. An estate tax return does not have to be filed unless its gross value exceeds the amounts shown above for the specified years.

The tax rate of an estate, regardless of its size, is gradually being reduced to a maximum of 50 percent. Another major change in the tax laws involves the annual gift tax exclusion. Gifts of up to $10,000 per year per donee are tax free in 1982 and later years. A gift of $20,000 per donee may be made by married couples.

Texas Inheritance Taxes

Texas, like many other states, has a state inheritance tax. While it applies to estates of somewhat smaller value than does the federal estate tax, the tax rate is lower. By comparison, the state inheritance tax is less severe than the federal estate tax.

All property one owns at death or has given away for something less than full value within a 2-year period before death, as well as property over which he maintains control, is taxable for state inheritance taxes. Texas allows a tax exemption on the first $40,000 of life insurance proceeds. All life insurance proceeds on policies one owns at death are taxable by federal authorities. The fact that this money is paid to a named beneficiary other than the insured's estate is not the point. Policy ownership is the deciding factor in taxing these proceeds.

Texas inheritance tax is computed on the basis of the value of property received by a beneficiary. The tax rate on each bequest varies depending on the kinship of the beneficiary to the deceased.

The law divides possible beneficiaries into five classes (A through E). Bequests are tax exempt according to the following formula:

CLASS A - Bequests to husband, wife, child, lineal descendants, sons-in-law, or daughters-in-law.
Exempt to the extent each bequest to each individual does not exceed $25,000.

CLASS B - Bequests to the United States to be used in Texas.
Exempt to the extent such bequest does not exceed $25,000.

CLASS C - Bequests to brother, sister, or direct lineal descendant of brother or sister.
Exempt to the extent each bequest to each individual does not exceed $10,000.

CLASS D - Bequests to uncle, aunt, or direct lineal descendant of an uncle or aunt.
Exempt to the extent each bequest to each individual does not exceed $1,000.

CLASS E - Other bequests.
Exempt to the extent each bequest to each individual or organization does not exceed $500.

Charitable bequests have not always been exempt in Texas from inheritance tax. The law has been changed and charitable gifts now exempt under federal laws qualify for state tax exemption as well.

The rate of taxing beneficiaries according to their respective classes follows:

CLASS A and B		
	$ 25,000 to $ 50,000	1%
	$ 50,000 to $ 100,000	2%
	$ 100,000 to $ 200,000	3%
	$ 200,000 to $ 500,000	4%
	$ 500,000 to $1,000,000	5%
More than	$1,000,000	6%
CLASS C		
	$ 10,000 to $ 25,000	3%
	$ 25,000 to $ 50,000	4%
	$ 50,000 to $ 100,000	5%
	$ 100,000 to $ 250,000	6%
	$ 250,000 to $ 500,000	7%
	$ 500,000 to $ 750,000	8%
	$ 750,000 to $1,000,000	9%
More than	$1,000,000	10%

CLASS D

	$ 1,000 to $ 10,000	4%
	$ 10,000 to $ 25,000	5%
	$ 25,000 to $ 50,000	6%
	$ 50,000 to $ 100,000	7%
	$ 100,000 to $ 500,000	10%
	$ 500,000 to $1,000,000	12%
More than	$1,000,000	15%

CLASS E

	$ 500 to $ 10,000	5%
	$ 10,000 to $ 25,000	6%
	$ 25,000 to $ 50,000	8%
	$ 50,000 to $ 100,000	10%
	$ 100,000 to $ 500,000	12%
	$ 500,000 to $1,000,000	15%
More than	$1,000,000	20%

The impact of inheritance tax can be lessened or even eliminated depending upon how one distributes property. Good estate planning means distributing one's property at minimum cost, but planning to avoid taxes entirely can often trap people into undesirable and unsuitable arrangements. Good planning does not necessarily imply an estate will pass tax free.

The office of the Comptroller of Public Accounts is the collector of state inheritance taxes. Taxes are due and payable in cash 9 months after death. If cash is not available for this purpose, it might become necessary to sell property in the estate to pay the taxes. Wise estate planning considers the need for cash at death. When circumstances force a sale of property at an inopportune time, it is hard to calculate the loss. Taxes in such instances may be only a part of the cost one's estate must pay for lack of proper estate planning.

Proper estate planning often lessens or entirely eliminates the impact of state inheritance tax by dividing a large estate into smaller bequests to several persons rather than one large bequest to one person. For example, there is no state tax on an estate of $150,000 if it is divided equally among a surviving spouse and five children. As Class A beneficiaries each can take $25,000 tax free. Giving it entirely to a surviving spouse would subject $125,000 to state inheritance tax.

Numerous small bequests as suggested here might defeat taxes, yet they might also defeat the security that survivors badly need. A person who has a surviving spouse and several descendants can potentially give them a very large estate with no tax whatever, but it is still poor tax planning if this is not what is really preferred.

Observations about Texas inheritance tax include the following points:

> A child not legally adopted is classified as "non-related" for inheritance tax purposes.

Out-of-state, tangible property of a deceased Texas resident is not taxable. However, the property must be included as part of the gross estate for computing the percentage of the deceased's gross estate in Texas.

A non-resident's estate must be reported if the deceased owned real or personal property in Texas.

The law imposes an automatic tax lien upon all estates until released by the Comptroller of Public Accounts. Conveyances of land without this release do not convey a title free of encumbrance.

State law requires that all banks inventory contents of safe deposit boxes of all deceased persons and report the contents to the Comptroller of Public Accounts.

Persons owning property in more than one state must remember that the laws of the state where the property is located governs the inheritance taxes paid on such property. It is also important to maintain a clearly established domicile and residence within a particular state to avoid possible double inheritance taxation on the entirety of ones's holdings.

When inheritance taxes have been satisfied or a determination has been made that no taxes are due, a receipt or statement from the Comptroller is filed with the County Clerk of the county where the probate estate is being administered. The receipt or certificate of no taxes due must be filed with the County Clerk in each county where estate property is located to clear property titles of liens.

When compared to the inheritance tax rate structures prevailing in other states (with the exception of Nevada which has no state death tax), the Texas inheritance tax is a moderate levy.

TEXAS LAWS ON DESCENT AND DISTRIBUTION

Texas, like every other state, has a written will for citizens who do not prepare their own. This document is embodied in the state's descent and distribution laws. These laws determine who inherits a deceased person's property and the proportion when there is no written will. When the written will does not dispose of all of an individual's property, these laws are used to distribute that which remains.

Texas is only one of eight states which has adopted and presently retains the community property system of property ownership between husband and wife. Under this system community property is broadly defined as all property of a husband and wife acquired during the marriage, except property which one spouse owned before marriage or acquired during the marriage by outright gift, as a gift under someone's will or by inheritance under the laws of descent and distribution. Separate property is not community property as defined above.

Under the community system, each spouse is deemed to own outright an undivided one-half interest in the total community estate. Therefore, when one spouse in Texas makes a will, he is able to dispose of only his separate property and his undivided one-half of the community property which he and his spouse owned together during marriage.

While the distinctions drawn between separate and community property have been necessarily general, it should be noted that determinations of the exact nature of specific items often have to be decided in the courts. It is the court's duty to pass final judgment as to the exact status of the property when a case arises. For discussion purposes and to fully understand the laws of descent and distribution, it is essential that one classify a married couple's property into one of two categories since community property is distributed in one proportion and separate property may pass to other heirs in differing proportions.

Community Property

The inheritance rule of community property is quite simple. Everything (both real estate and personal property) passes to the heirs with no distinction as to the type of property.

When one spouse dies, the surviving spouse immediately becomes entitled to one-half of all property owned by the two during marriage. One-half of the community property has all along belonged outright to the surviving spouse. Only that portion comprising the other half owned by the deceased is available for distribution to heirs. If the deceased has no child, children or other descendants, but has a surviving spouse, all of the other half belonging to the deceased goes to the surviving spouse. If, however, there is a child, children or descendants, then the one-half portion goes to that child or is equally divided among the children. The portion going to a child or children who do not survive is divided among the surviving children except in those instances when a deceased child has children of his own in which case the "child's part" is shared among them equally.

While the rule for community property is relatively simple, the matter becomes more involved when discussing separate property of a deceased spouse or the estate of a single person.

Separate Property of a Single Person

The separate estate, including real estate and other property, of a single person, widow or widower with a child or children, or their descendants, passes as follows:

If the single person, widow or widower has no child or descendants, then the estate is divided equally between his or her surviving parents. If only one parent survives, that parent takes a one-half portion and the remaining half is distributed to the brothers and sisters of the deceased or their descendants. If no parents survive, the estate is divided between brothers and sisters of deceased or their descendants. If there are no brothers, sisters or descendants who qualify, then the entire one-half would go to the sole surviving parent of the deceased single person giving that parent the entire estate. If no parents survive the single person and there are no brothers or sisters (aunts and uncles) or descendants or brothers and sisters (cousins) on either the paternal or maternal sides to share in their respective one-half portion of the estate, other more-distant, collateral kinfolks receive in relation to their kinship.

Separate Property of a Married Person

The separate property of a married person with no children or descendants passes according to the following formula.

> When the separate estate is personal property (not real estate) it all goes to the surviving spouse.
>
> When the separate estate is real property, it goes one-half to the surviving spouse; one-fourth to the mother of the deceased, if living, and one-fourth to the father of the deceased, if living. If one parent of the deceased is not living, his/her one-fourth portion is divided among respective brothers and sisters. If there are none in that category, a surviving parent would get a one-half portion rather than a one-fourth portion. The surviving spouse would be entitled to all of the separate property in a deceased person's estate only when no parents, brothers, sisters or descendants of the brothers or sisters exist.
>
> Separate property of a married person with children passes according to the following formula.
>
> When the separate estate is personal property (not real estate) it goes in portions of one-third to the surviving spouse and two-thirds to any child, children equally or descendants who take a portion or divide the portion that passed to their deceased ancestor.
>
> When the separate estate is real estate, the surviving spouse gets a life estate in an undivided one-third of the realty and the remainder following the death of the surviving spouse goes to any child, children or descendants as described in the above paragraph. The remaining two-thirds passes outright to the child or children equally or to their descendants.

In addition to setting out the manner in which an estate shall pass in the absence of a will, other provisions of the law are applicable in other circumstances. Some other aspects of the law of descent and distribution are important to consider. These deal with the rights of adopted children, and joint tenancy arrangements, as well as other matters affecting an individual's right to inherit.

An adopted child is regarded as the child of the parent or parents by adoption. This child and his descendants inherit from the adoptive parents. The adoptive parent may also inherit from the adopted child. While the natural parents of a child who has been adopted may not inherit from the child, the adopted child may inherit from his natural parents. In effect, Texas law makes it possible for an adopted child to inherit from both natural and adoptive parents.

In many non-community property states, property owned by a husband and wife is frequently held in "joint-tenancy." This arrangement is not, however, limited solely to husband and wife, but can exist between a parent and child and in other ways. Joint-tenancy, as commonly interpreted, grants the surviving joint-tenant title to all of the property held in such joint arrangement upon death of the other joint-tenant. Texas has expressly abolished this arrangement except in very limited instances where the parties have agreed to this survivorship aspect prior to creation of the joint-holding situation. One should be warned, however, that the valid form of a survivorship agreement has not been clearly determined by the courts. Preferably it should be in writing. One thing is clear, however, in Texas one is not able to assume from observing the title to property being maintained in two or more persons that any right of survivorship automatically exists among them. Without the expressed agreement which the law requires, jointly held property passes under the general provisions of the law or by will.

Additional inheritance problems arise when the heirs are not of the whole blood. The rule provides that if part of the collateral relatives (i.e. kin other than those in the direct line of ascendancy or descendancy) are of the half-blood and part are of the whole blood, those of the half-blood take only half portions. If all of them are of the half-blood and none of the whole blood, then they take whole portions.

Another problem concerns the right of aliens and convicts to inherit. There is no obstacle to their rights to inherit, except in the situation where a beneficiary of a life insurance policy is in some manner guilty and convicted in the death of an insured, in which event an inheritance is denied. The property of one committing suicide passes as though it were a natural death.

The right of an afterborn or posthumous child to inherit is also provided for in the statute. By will such a child who is born or adopted after a will is written may be cut out of an inheritance only if the surviving spouse who is a parent or lineal ancestor of such child is the primary beneficiary under the will. An inheritance of a child not yet born is not lost, but no one other than a child or lineal descendant who is not yet born is considered an heir.

The status of an illegitimate child is relatively certain. The right to inherit from his mother is unquestioned. Whether or not such a child may inherit from his father is not clear. The general rule is that there is no inheritance as a matter of right, but under certain circumstances (when the father shall later marry the child's mother) an inheritance might arise, but this would depend on the particular case.

From this review it can be understood that when one dies without a will, trouble will likely follow in settling an estate. The law, as written, can be changed easily by the provisions of one's will, but in the absence of a will, the court is bound to act in strict accordance with provisions of the law. Courts make every effort to be fair and equitable, but these provisions leave very little room for discretion. To avoid the undesirable result of the laws of descent and distribution, prepare a will.

COSTS OF AN ESTATE IN PROBATE

Although probate courts handle various types of estates, for the living as well as the dead, the most common types are of deceased persons' property. This includes those that do not. "Probate" stems from the Latin root meaning "to prove." In its most narrow definition, the probate process is used to prove a deceased person's will genuine.

It is impossible to quote the exact cost of probating a will, since many factors are involved. In a deceased person's estate, an attempt is made to conclude the affairs of the estate in a relatively short period of time, but the period required to close an estate may be as long as three years.

The attorney in an ordinary case involving a deceased person will usually perform the following services:

1. Prepare and file an application for probate of a will (or appointment of administrator).
2. Have a court hearing on the application.
3. Prepare the order probating the will (or creating the administration).
4. Prepare and file an oath (or bond).
5. Give notice to estate creditors.
6. Prepare and file an inventory of estate property which has been properly appraised and valued, together with a list of creditors' claims, if any.
7. Prepare for the judge's signature the order approving the inventory as correct.
8. Prepare and file the death tax (federal estate and state inheritance) returns and consultations relating to them.

For the above services, at one time the State Bar suggested that the attorney's fee be no less than three percent of the deceased person's gross estate value; however, a recent decision by the United States Supreme Court held that agreements by attorneys to strictly comply with any set of prices for their services constitutes price fixing. Attorneys are now free to charge whatever fees can be agreed upon between them and their clients.

Another substantial expense item in an estate is the executor or administrator's fee. This fee is set out in the law and in no event shall it exceed 5 percent of the estate's gross value. The fee is determined by allowing the executor or administrator a commission of 5 percent on all amounts actually received by them in cash (not counting cash which deceased had in a bank at death) and a commission of 5 percent on all amounts actually paid out in cash during the administration (not counting distributions to heirs or named beneficiaries). In actual practice the executor or administrator's fee might not reach the maximum percentage limit. One provision says if an executor or administrator manages the estate's farm, ranch, factory, or other business and the percentage allowed by law appears unreasonably low, the court may permit additional compensation for such services.

In those instances where the estate's primary beneficiary is also the executor or administrator, there is no reason for such a fee. It is not reasonable, however, to expect one who gets no bequest or inheritance in an estate to serve without compensation.

It is possible to limit by will the fee an executor will be allowed. If the executor agrees to serve at a reduced rate, he cannot receive additional pay.

The executor or administrator has an important function in tending to estate affairs. One can designate a person in his will to act as executor, but in the absence of such an appointment in a will the court appoints an administrator. This power to appoint by will, if used wisely, can be of untold benefit to the estate's beneficiaries. The executor's duties include hiring the attorney to represent the estate, assembling estate assets, securing appraisals and generally handling all the business affairs of the estate. Accounting and record keeping is involved in every estate and in the more complex business transactions, these items can be major tasks. In deciding whether or not an impersonal executor such as a bank's trust department should be used, consider the benefits it offers such as experience, solvency and continuity.

THE IMPORTANCE OF A WILL

Having a properly drawn will is of immense importance. A will enables an individual to designate the manner of distributing his property after death. Without a will one's property will be distributed, but only according to the laws of descent and distribution. Since it is not possible for the state to write a separate law for each individual, one law applies for everyone. The distribution plan which this law provides is often not what one might personally prefer; therefore, the law allows an individual the right to change the distribution plan by making a will. With a properly drawn will one's preference can be expressed and carried out after death.

Dying without a will creates several problems for survivors. It generally costs more money to die without a will than it does if there is one. These extra costs arise in various ways and are easily understood. Delays in estate administration resulting from no will require extra attorney services to handle estate affairs. He/she in turn requires an increased fee in such circumstances. Court costs and other administration fees often constitute substantial expense items for the estate. Changes for the premium on the administrator's bond are borne by the estate. While these extra costs mount up, the law requires these expenditures as safeguards to assure an orderly and faithful performance by those appointed to handle the estate affairs. With a will it is possible to eliminate many of the legal steps that would otherwise be required. The necessity for an administrator's bond can be eliminated by an appropriate provision in the will. The estate of a deceased person who has made a will can be handled with substantial savings in both time and money.

Without a will it is impossible to take steps to minimize the impact of estate and inheritance taxation. Generally if one relies on the state's "will" and does not make a will for himself, he may not achieve the savings in death taxation to which his estate might be otherwise entitled. This extra cost factor is one which a prudent person dares not overlook. The exact amount of death tax levied upon a particular estate is dependent upon the amount of money involved and the manner in which the estate is distributed. When one realizes that the heavy impact of such taxation can perhaps be lessened, it is essential that prompt action be taken to avert an unnecessary loss.

Notwithstanding the burdens of extra costs and possible higher taxation, another unpleasant aspect about dying without a will is often the fact that one's estate may be distributed in a wholly unsatisfactory manner and contrary to the best interests of persons near him for whom he is building his éstate. Only with a will is it possible to make those estate distributions after death in the manner that is consistent with one's desires and in a way which assures the well-being of survivors.

Everyone in Texas eighteen (18) years of age or older is eligible to make a will. Since a will is a document by which property disposition is made, does a person with "limited" property really need a will? Everyone who owns property interests or who has even a remote possibility of acquiring property needs a will. Persons possessing only "limited" means may not realize that the basic initial administration costs (excluding taxes) in an estate of any size are still high. It is in the smaller estate that some of the largest savings in initial costs can be made with a will.

While some people measure their wealth by material possessions, it can be said that our children comprise our most valuable assets. Their care, custody and financial security make it imperative that parents of minor children protect their offspring with an up-to-date will. Others who need a will are married couples with no children. When they neglect to dispose of their estate, friction and hard feelings sometime arise among relatives. The same holds true for persons who have never married and others without children.

Having explained some of the perils of dying without a will, it is important to discuss several advantages of having a will.

INITIALLY the individual, rather than the court, makes the decision as to who will handle his affairs after death. The person named in a will to act as personal representative is called an executor. In Texas the executor can be, if designated, an "independent executor." That means the executor can, without court intervention, act with respect to estate property just as if it were his/her own. This is one of the more enlightened aspects of Texas probate law and has proven to be a highly satisfactory method of handling deceased persons' estates.

When no executor is designated in the will, the court appoints an administrator. The administrator does not have the same freedom in acting with respect to estate property as does the executor. The administrator could, in some instances, be one of the estate's creditors. While a creditor-administrator would be bonded to assure his proper administration, his interest is to see that creditors are paid. Questions of cost to the ultimate property recipients would not be items of ultimate concern to him.

SECOND, it is possible in a will to suggest to the court a desired guardian of one's minor children. In Texas a child over fourteen (14) can suggest his own guardian. Even with the best intentions, the court may not select the person most qualified to rear the children in the manner a parent might deem acceptable. This guidance and instruction is an important opportunity for both parents and children.

THIRD, guardianship is a costly and time consuming procedure and should be avoided if possible. It is the law's inflexible way of handling a minor's affairs until he attains lawful age. By creating a trust in a separate trust instrument or by appropriate provisions in the will this can be avoided. The trust is an exceedingly flexible and workable arrangement in contrast to the rigidity of guardianship. Avoidance of a guardianship during the period of a child's minority represents a substantial savings. If a guardianship with its built-in delays cannot be avoided, suggesting a name in a will of an appropriate person to act as guardian is certainly helpful to the court and beneficial to the surviving minor children.

FOURTH, savings in costs and taxes are primary advantages of having a will. A will offers the opportunity to establish an orderly method of debt and tax payment. The order of payment of debts and taxes can be made in a will assuring that those who benefit from the estate will receive their bequest free and clear of creditor or tax claims.

FIFTH, a will can provide various cost saving methods. It is wise to carefully consider whether or not the executor needs to be bonded. The necessity for such a bond can be eliminated by the will. Consider the compensation, if any, to be paid the executor.

SIXTH, by means of a trust one can afford a measure of protection for those who will benefit from his estate. They can be protected by deferring their bequest rather than permitting it to fall in one lump sum at or near the time of death. In this manner one can perhaps assure a regular income for a surviving spouse or child, and eliminate a temptation to squander the larger amount. In reality a method must be found to protect the beneficiary against his inexperience in handling property. Young people are not all alike and not all of them act as their parents might prefer. The establishment of a trust, giving the trust principal outright to a child when he has attained a given age somewhat beyond 21, has become a rather common provision in will trusts. Trusts serve many purposes and a lawyer can prepare the trust that meets one's particular need.

SEVENTH, without a will one will be unable to make a gift of a portion of his estate to charity. The federal government encourages gifts to private charity by permitting a tax deduction for the full amount of such gifts on the estate tax return. Since death taxes are assessed on a graduated scale, giving to charity can have a profound effect in lessening the taxes paid in a particular situation.

EIGHTH, with a properly drawn will, one has the assurance that he has done all that is reasonably possible to direct the distribution of his property after death. It is still possible for a will to become out-of-date. While a recently executed will may be adequate for present circumstances, life has a way of changing things. It is essential that a will be kept up-to-date and made to fit changing conditions. Children grow up, tax laws change, beneficiaries die, etc. It pays to review the will periodically.

FINALLY, while it is not possible to predict how one will die, it is in cases of a disaster or common accident where both parents of minor children die together that the problems of guardianship often arise. Costs involved only compound the misfortune of the remaining minors. While this is a rare happening, such incidents do occur. Wouldn't a will be preferable to this?

The attorney is the architect of the estate plan. He has the training and experience necessary to cope with the specific problems likely to be encountered. In order to help the attorney properly carry out his duty, it is essential that he be knowledgeable in several matters. First he must have some acquaintance with the value, location and extent of property. He will also need to know personal information about the family and the individual's intentions.

It is not unusual for an attorney to prepare a will and need to rewrite it even before the individual has signed it the first time. Providing full information initially might avoid this. The attorney will prepare the will as often as necessary in order to be absolutely sure it is exactly what the client wants. After all, it is the client's last will and testament and not the attorney's.

After a lawyer has prepared the will, one can be reasonably sure that it is in a form acceptable in law and that one's intentions have been accurately and correctly expressed.

Things regrettably are never so certain when an individual undertakes to write his/her own will in his own hand or attempts to use a "fill-in-the-blank" form. No one would think of performing surgery upon himself/herself to remove his/her own appendix, but many people embark upon the dangerous activity of writing their own will. One might expect an attorney to frown upon this practice because it deprives him/her of a fee for preparing a will. In fact, however, the attorney's fee is generally greater in cases where there is no will or in those instances where the self-made will is incomplete or inadequate.

"Do-it-yourself" wills create many problems. They often lack clarity in draftsmanship or omit essential provisions. The will's validity is often subject to question and the individual's intent can be more easily frustrated. A good will is good insurance. A poorly drawn will is more costly in the long run.

There is no satisfactory substitute for a will. Some individuals assume that life insurance constitutes an effective replacement, but this is incorrect. The life insurance policy is a separate instrument.

Some individuals attempt to avoid "probate" by entering into joint property-owning arrangements generally with their spouse. In Texas, joint-owning with survivorship rights exists only in very limited situations. Even in states where joint-tenancy is widely used, it can lead unsuspecting individuals into extremely painful circumstances. Joint access to safety deposit boxes, joint bank or saving accounts and other joint arrangements do not eliminate a will's necessity.

While the will may not be the complete solution to the problems faced by survivors, it is a giant step in the right direction. In making any personal and financial plans, it is important that one have a properly drawn will.

The above information was secured from the following:

1. "Planning Estate Transfers," MP - 1339, Texas Agricultural Extension Service, Texas A&M University, College Station, Tx 77843.
2. "Federal Estate and State Inheritance Taxes," L-955, Texas Agricultural Extension Service, Texas A&M University, College Station, Tx 77843.
3. "Texas Laws on Descent and Distribution," L-951, Texas Agricultural Extension Service, Texas A&M University, College Station, Tx 77843.
4. "Texas Inheritance Taxes," L-955, Texas Agricultural Extension Service, Texas A&M University, College Station, Tx 77843.
5. "The Importance of a Will in a Texas Estate," L-950, Texas Agricultural Extension Service, Texas A&M University, College Station, Tx 77843.
6. "Gifts and Trusts - Effective Estate Planning Tools," L-956, Texas Agricultural Extension Service, Texas A&M University, College Station, Tx 77843.

TOPIC: AGRICULTURAL OCCUPATION INFORMATION

OBJECTIVE: To acquaint the student with the basic facts concerning agricultural occupation information.

REFERENCE: "Handbook for Agriculture Cooperative Training in Vocational Agriculture"

ACTIVITIES:

1. Discuss questions with the class.
2. Invite a representative from the Texas Employment Commission to talk to the class or visit the District office.

QUESTIONS AND ANSWERS:

Transparencies No. 1a, 1b, and 1c

1. What are some of the state and federal labor laws governing students of Cooperative Training in Agriculture?
    a. Students must be 16 years of age to be eligible for enrollment.
    b. To protect young workers from hazardous employment, the Fair Labor Standards Act provides for a minimum age of 18 years in occupations found and declared to be particularly hazardous for minors 16 and 17 years of age. Of seventeen hazardous orders, only two generally apply to agriculture: "Occupations of Motor Vehicle Driver and Helper," and "In or About Slaughtering and Meat Packing."
    c. The special minimum wage rate shall not be less than 75% of the applicable minimum wage.

2. Is Workman's Compensation mandatory?
(See "Summary" in "Teacher's Handbook," pp. 89-94.)

Transparency No. 2

3. What are the major employer-employee agreements that the student should be aware of? (See p. 19.)
    a. Reporting and leaving training stations
    b. Sick leave
    c. Student transportation
    d. Student passes
(Above agreements are explained in Teacher's Handbook.")

TOPIC: THE FUTURE FARMERS OF AMERICA

OBJECTIVE: To become familiar with the history and development of the FFA.

REFERENCES:

1. "Official FFA Manual," Future Farmers of America
2. "Workbook of the Official FFA Manual," Texas A&M University, Vocational Instructional Services, College Station, TX

ACTIVITIES:

1. Assign designated parts of the "Official FFA Manual" for the students to read and then discuss the questions below.
2. The "Workbook of the Official FFA Manual" for students of vocational agriculture may be used for specific assignments for the students.

QUESTIONS AND ANSWERS:

1. What is FFA?
   The FFA is the national organization for students studying vocational agriculture in public secondary schools under the provisions of the National Vocational Education Act. It is a non-profit, non-political, non-sectarian farm youth organization of voluntary membership, designed to take its place along with other organizations striving for the development of leadership, the building of a more permanent agriculture, and the improvement of country life.

2. When was the FFA organized?
   The Future Farmers of America was organized in 1928, in Kansas City, Missouri.

Transparency No. 1

3. What do members learn through active participation?
   a. How to conduct and take part in a public meeting
   b. How to speak in public
   c. How to buy and sell cooperatively
   d. How to solve their own problems
   e. How to finance themselves
   f. How to assume civic responsibility

4. Where is the National Headquarters located?
   Washington, D.C.

5. Discuss the first FFA Convention held in 1928.
   Held in Kansas City, Missouri; thirty-three delegates representing 18 states were present.

Transparency No. 2

6. What are the degrees of membership in the FFA?
Greenhand, Chapter Farmer, State Farmer, and American Farmer

7. Who may become members in the FFA?
Any student enrolled in an all day class in vocational agriculture is entitled to membership throughout his high school career and for three years after graduation, or until he becomes 21 years of age, whichever length of time is greater.

Transparency No. 3

8. List the symbols of the FFA emblem and tell what each is symbolic of:
Owl - wisdom and knowledge
Plow - labor and tillage of the soil
Rising Sun - progress and the new day that will dawn when all farmers are trained and have learned to cooperate
Cross Section of an Ear of Corn - common agricultural interests since corn is native to America and grown in every state
Eagle - the national scope of the organization

9. What is the primary aim of FFA?
The development of agricultural leadership, cooperation, and citizenship

10. Who wrote the FFA Creed, and when was it adopted?
E.M. Tiffany--3rd National Convention

11. What are the FFA colors?
National Blue and Corn Gold

12. Discuss the proper use of the official FFA jacket.
Refer to the Section in the FFA Manual.

13. Discuss the Code of Ethics.
(Class discussion.)

14. What function does the FFA Supply perform?
    a. Make all items of official FFA merchandise available from one source
    b. Insure uniformity in official FFA merchandise
    c. Give members the advantage of high-quality official merchandise at the lowest possible cost

15. Discuss the FFA Foundation.
Refer to the section in the FFA Manual.

Transparency No. 4

16. List the ten essentials of a successful chapter.
    (1) Every vocational agriculture student is an FFA member.
    (2) Knowledge of the FFA on the part of every student.
    (3) All members share responsibilities in chapter activities.
    (4) Capable officers and leaders are essential
    (5) A challenging program of activities is essential
    (6) A workable constitution and bylaws.
    (7) Proper equipment and records.
    (8) Well planned, regularly held chapter meetings.
    (9) Adequate financing is of vital importance.
    (10) The chapter needs the support of the school and community

17. Discuss some of the duties and responsibilities of Chapter officers.
Refer to the section in the FFA Manual.

Transparency No. 5

18. Name the major divisions of Program of Work Activities.
    I. Supervised Agricultural Occupational Experience
    II. Cooperation
    III. Community Service
    IV. Leadership
    V. Earnings, Savings, and Investments
    VI. Conduct of Meetings
    VII. Scholarship
    VIII. Recreation
    IX. Public Relations
    X. Participation in State and National Activities
    XI. Alumni Relations

TOPIC: AWARDS FOR AGRICULTURE COOPERATIVE TRAINING STUDENTS

OBJECTIVE: To acquaint the student with FFA degrees and awards in the Agriculture Cooperative Training Program.

REFERENCE: "Handbook for Agriculture Cooperative Training in Vocational Agriculture"

QUESTIONS AND ANSWERS:

1. Should students of the Agriculture Cooperative Training Program be encouraged to become members of the FFA?
   Yes. They are part of the vocational agriculture program.

2. Is FFA membership required for an ACT student to be eligible for area, state, and national offices or to apply for one of the ACT awards?
   Yes.

3. What percent of the ACT course time can the vocational agriculture teacher justify for instruction and preparation of students for FFA contests?
   As much as 20% of the class time.

Transparency No. 1

4. Name the six awards that have been established for students enrolled in Agriculture Cooperative Training.
   a. Sales & Service
   b. Horticulture & Nursery
   c. Farm Machinery
   d. Veterinary Assistant
   e. Products Employee
   f. Farm Employee

5. What is the purpose of the awards program?
   To recognize outstanding students enrolled in ACT.

Transparency No. 2

6. Name and discuss the eligibility requirements for the ACT awards.
   See required reference.

7. Discuss the method of selecting winners for the local, area, and state awards.
   See required reference.

8. Where are the certificates for local award winners secured?
   Area supervisor

TOPIC: PARLIAMENTARY PROCEDURE

OBJECTIVE: To appreciate the value of parliamentary procedure for getting business transacted in an orderly manner that is fair to everyone.

REFERENCE: "Parliamentary Guide for FFA," Jarrell D. Gray

ACTIVITIES:

1. It is suggested that the teacher discuss the questions with the class after assigning reading in the required reference.
2. Call on various class members to preside while other class members demonstrate the parliamentary abilities being studied.

QUESTIONS AND ANSWERS:

1. Why do we study parliamentary procedure?
   We study parliamentary procedure because the principles of parliamentary procedure are so important to our democratic form of government, and it develops good citizenship.

Transparency No. 1

2. Name the characteristics of an ideal presiding officer.
   a. Willingness to work
   b. Self-confidence
   c. Ability to learn parliamentary procedure
   d. Well-developed voice
   e. Neat appearance
   f. Skill in leading people
   g. Fair and impartial judgment

Transparency No. 2

3. Name and discuss the steps in presenting a motion and then have the class practice introducing and disposing of simple motions.
   See pp. 7-11 of reference.

4. What is General Consent?
   It is the approval of a transaction without any objection.

5. Name the methods of voting.
   Rising (show of hands or standing), voice, roll call, ballot, and general consent.

6. What is the purpose of a main motion?
   To present an item of business for consideration and action upon by the chapter.

Parliamentary Procedure
(Questions & Answers continued)

7. What is the purpose of the motion to lay on the table?
To temporarily delay action on an item of business.

8. What is the purpose of the previous question?
To terminate discussion on the motion or motions before the chapter and to secure an immediate vote.

9. What is the purpose of referring a motion to a committee?
To place the question temporarily in a committee.

10. What is the purpose of an amendment?
To modify the motion that is under consideration.

11. What is the purpose of rising to a point of order?
To enforce the rules by calling attention to a violation of the rules or a mistake in procedure.

12. What is the purpose of an appeal?
To obtain a decision from the chapter to a question on which the president has made a decision.

13. What is the purpose of suspending the rules?
To permit the chapter to do something that cannot be done without violating its standing rules.

14. What is the purpose of calling for a division of the assembly?
To determine the accuracy of a vote, especially when taken by voice or by show of hands.

15. How may nominations be made?
Nominations may be made by a committee or from the floor by a member.

16. What is the purpose of making a parliamentary inquiry?
To permit a member to gain parliamentary information.

17. When may the proposer of a motion withdraw it from the chapter?
The proposer of a motion may withdraw or modify a motion without the consent of anyone before it is stated by the chair.

18. What is the purpose of the motion to adjourn?
To terminate (close) the meeting.

Parliamentary Procedure
(Questions & Answers continued)

19. What is the purpose of the motion to take from the table?
To again bring a question before the Chapter for further consideration.

20. What is the purpose of the motion to reconsider?
To permit the reconsidering of a vote previously taken on a motion and to again reconsider the question.

21. What is the purpose of the motion to rescind?
To cancel action taken by the Chapter.

TOPIC: FFA SKILLS

OBJECTIVE: To encourage students to improve agricultural skills through study and skill performance.

REFERENCES:

1. Information Sheet, "Farm Skills Demonstration"
2. Texas Future Farmer, September Issue

ACTIVITY:

After reading informaiion sheet and information pertaining to skills contest in the latest September issue of the Texas Future Farmer magazine, attempt to secure a skills demonstration team from ACT class.

QUESTIONS AND ANSWERS:

1. What are some values of a farm skill demonstration?
   They promote a better knowledge of agriculture for students and observers.
   They promote good public relations.

2. What are some benefits received by the participating team member?
   Develops fundamental understanding of agriculture and develops abilities in public speaking, leadership, teamwork, and cooperation.

Transparency No. 1

3. Discuss some steps in preparing a script for a skill demonstration.
   a. Select a skill to be performed.
   b. Divide the topic into parts.
   c. Assign some members of the class to each part to secure needed information.
   d. Each group should prepare a script for their topic or part.
   e. Put all parts together to prepare a temporary script.
   f. Discuss the script and make needed changes.
   g. Prepare a final script and assign parts.

Transparency No. 2

4. What should the introduction of the skill include?
   a. Names of team members, FFA chapter, and skill being demonstrated
   b. Explanation and justification of the skill

5. How many students are included on a demonstration team?
   The farm skill team may consist of from three to five members and participation should be equally distributed.

Information Sheet
on
FARM SKILLS DEMONSTRATION

In addition to providing valuable information for students and adults, the skill demonstration team can serve as a good public relations instrument and project a desirable image for the chapter. Students should benefit from their participation by becoming knowledgeable of certain agricultural practices, developing their speaking and leadership abilities, and gaining experience working and cooperating with others.

An ideal situation for training and selecting team members would be to have a number of students interested in competing for membership on the team. Suggestions for training and selecting team members are presented in the following outline. An explanation follows some of the parts of the outline.

PROCEDURE FOR TRAINING AND SELECTING FARM SKILLS TEAM MEMBERS

I. Selecting a Skill
  A. Practical Application (In addition to being practical the demonstration should promote agricultural knowledge, develop leadership abilities of students, and serve as a good public relation instrument for the chapter.)

  B. Economic Effects (Selection should be economically important to community, state, and nation.)

  C. Student Interest (The selection of skill should be one in which students are interested; and one that will motivate them, increase their knowledge, and increase their usable skills.)

II. Preparing the Script
  A. Script Format
    1. Introduction (The introduction should include the (a) name of the chapter, (b) name of team members, (c) title of demonstration, and (d) economic effects on community, state, and nation.)
    2. Body
      a. Explanation of skill (Explanation should be divided equally among team members; each member should give a complete, easily understood, and precise explanation.)
      b. Models and charts (The use of models and charts usually makes for a more effective demonstration.)
    3. Conclusion
      a. Summarize main points.
      b. Express appreciation (Appreciation for opportunity of presenting demonstration is usually expressed.)

B. Demonstration
  1. Determine number of skills.
  2. Determine number of team members.

C. Select Team Members. (Assign team members to specific skills and make each member responsible for writing his/her part of script. Hopefully, there will be several teams.)

D. Combine Parts. (Correct, revise, edit, and combine all of the team members' parts. Develop a single script for demonstration. Each team member should participate equally in presenting demonstration.)

III. Select Team Members
  A. Preparation and Practice (Team members should be given time to prepare and practice demonstration.)

  B. Local Contest (The best member for each part is selected.)
    1. Evaluation of team members (Evaluation is based on students' ability to speak plainly and distinctly, poise, self confidence, enthusiasm, and willingness to work.)
    2. Local contest judges (These may be teachers, class members, or chapter officers.)
    3. Select team alternate. (If the alternate is allowed to substitute for the different team members while they are practicing the alternate can usually be used at the contest without materially affecting the presentation of the demonstration. Other responsibilities that may be assigned the alternate are for equipment used, and critic during practice.)

IV. Preparing and Performing at District and Other Contests
  A. Preparation for Performance of Skill Demonstration
    1. All preliminary preparations are made before team performs.
    2. Equipment and supplies should be in place and arranged in order in which they are used.
    3. Models and charts are kept out of sight until used, if possible.

  B. Performance of Skill
    1. Step-by-step procedure is given and performed.
    2. All operations pertaining to skill are performed.
    3. Present advantages of using particular procedure as skill is performed.

Farm Skills Demonstration
(Information Sheet continued)

C. Clean Up
   1. Supplies and equipment are removed from demonstration area quickly and orderly.
   2. Clean area as quickly as possible.
   3. Use broom, dust pan, and waste basket.

The following is a list of Farm Demonstration Skills that have been used in the past by various vocational agriculture teachers throughout the state. They are not ranked in any specific order.

1. Systemic Cattle Grub Control
2. Three-way Switch Installation
3. Soldering
4. Inoculating Legume Seed
5. Cutting and Threading Pipe
6. Servicing Farm Tractors
7. Caponizing Chickens
8. Grading and Candling Eggs
9. Dehorning Cattle
10. Culling Hens
11. Use of the Tree Injector
12. Implanting Stilbestrol in Steers
13. Farm Wiring
14. Electrical Repair
15. Making a Rope Halter
16. Rafter Cutting
17. Construction of Electric Brooder
18. Measuring Land
19. Building an Electric Fence
20. Proper Fuse Sizes and Wire Sizes
21. Drenching Sheep
22. Cutting "Ties" in Calves
23. Castration of Swine
24. Shoeing Horses
25. Constructing "Back Rubbers" for Cattle
26. Fitting Lambs for Show
27. Trimming Cattle's Feet
28. Worming Cattle, Sheep, Horses and Goats
29. Preparation of Wool
30. Shearing Sheep
31. Home Mixing of Feed
32. Grooming a Dairy Cow
33. Electric Dehorning
34. Arc Welding
35. Oxyacetylene Welding
36. Clipping a Dairy Cow
37. Pasture Management
38. Wiring Two-way Switches
39. Control of Roundworms in Pigs
40. Cutting, Splicing, and Connecting Electric Wiring
41. Hard Surfacing
42. Milk Testing
43. Building Portable Loading Chutes
44. Laying Out Corners
45. Vaccinating a Pig with MLV
46. Use of the Hand Saw
47. Rope Making
48. Painting
49. Tuning Small Gas Engines
50. Caponizing Cockerels with Hormone Pellets
51. Tractor Servicing
52. Soil Erosion Control
53. Grafting of Pecans
54. Vaccinating Calves
55. Farm Safety
56. Use of Infra-red Heat Light
57. Treating Posts
58. Brush Control
59. Cooling Poultry Houses
60. Soil Testing
61. Concrete Slump Test

Farm Skills Demonstration
(Information Sheet continued)

62. Selection of Electric Motors
63. Controlling Gophers
64. Castration of Calves
65. Stretching Barb Wire
66. Door Step Cutting
67. Tree Poisoning
68. Controlling Rats and Mice
69. Proper Way to Test Cows for Pregnancy
70. Probing Hogs for Back Fat
71. Culling Laying Hens
72. Cleaning Milk Equipment
73. Installing Electric Plugs and Switches
74. Pruning Trees
75. Sharpening Knives
76. Treating Corn to Protect from Weevils
77. Blood Testing Hens for Pullorum
78. Mixing Insecticides and Animal Worming Feeds
79. Seed Treating
80. Mixing Concrete
81. Installation of Water Systems
82. Vaccinating Poultry
83. Methods of Marketing Animals
84. Setting Corner Posts
85. Artificial Insemination
86. Building Farrowing Crates
87. Planting Pine Seed
88. Constructing Chicken Feeders
89. Controlling Rats with Warfarin
90. Sharpening Drill Bits
91. Controlling Internal Parasites of Poultry
92. Tooling Leather
93. Setting Up Oxyacetylene Welding Equipment
94. Electrical Board
95. Cutting Metal with Oxyacetylene Torch
96. Electric Welding
97. Branding Cattle (Hot iron, Freeze)
98. Selecting Seed Sweet Potatoes
99. Culling Sweet Potatoes for Market
100. Building Concrete Blocks
101. Identification of Insects
102. Grinding Valves on One Cylinder Engines
103. Replacing Rings in One Cylinder Engines
104. Constructing an Under Heat Brooder
105. Use of Hand Tools
106. Laying Out Farm Buildings
107. Controlling Worms in Calves
108. Soil and Plant Tissue Testing
109. Management of Cage Nest Operation

Improve Your Farm Skills Demonstrations

Check These Points:

______ 1. Pick a subject which can be demonstrated within the time allowed.

______ 2. Follow an outline.

______ 3. Tell what you are going to demonstrate.

______ 4. Justify your demonstration. Tell why the skill is important.

______ 5. A demonstration is a stage show. You must keep your audience interested.

______ 6. Every step must be planned very carefully. Make a plan of your "stage"

Farm Skills Demonstration
(Information Sheet continued)

and assure yourself at every performance that every piece of equipment is exactly where you want it to be.

______ 7. Rehearse your demonstration before someone that is unfamiliar with the subject. He/she can usually help you clear up points where misunderstanding may develop.

______ 8. Charts, models, and other aids may greatly improve your demonstration.

______ 9. Keep your demonstration simple. An overloaded demonstration may confuse the audience.

______10. Stay with the main idea.

______11. Participation by all members of the team in the form of discussion rather than canned speeches is desirable.

______12. You cannot cover up the lack of a thorough knowledge of the subject matter.

______13. Mechanical perfection without understanding will trip you.

______14. You should anticipate questions in the minds of the audience and automatically answer them.

______15. Check to make sure that your demonstration is being understood.

______16. Be sure that your audience can see and hear every step in the demonstration. Do not stand in front, or place anything in front, of your demonstration.

______17. Do not hurry your demonstration.

______18. Do not drag out the demonstration.

______19. Keep summarizing as you go along. Remember your demonstration is not pantomime.

______20. Do not miss your great opportunity. Put your demonstration on for civic clubs, high school assemblies, P. T. A. meetings, Chambers of Commerce, evening schools, and TELEVISION.

TOPIC: ATTITUDES

OBJECTIVE: To develop within the student a positive attitude toward his work.

REFERENCE: Information Sheet, "Attitudes"

ACTIVITY:

Review the information sheet and conduct a class discussion using the questions.

QUESTIONS AND ANSWERS:

1. Why is attitude important on the job?
   Your success is dependent upon a positive attitude.

2. Define attitude.
   A "mental set" that causes a person to respond in a certain manner to a given stimulus.

3. Give an example of this definition.
   Cold and hot weather ("mental set" against that which you dislike).

4. List some factors related to the job in which one should have a positive attitude.
   Supervisors, employees, regulations, salaries, etc.

5. What effect will your attitude have upon your enjoyment and success of your job?
   (Group discussion.)

Transparency No. 1

6. List six reasons why a positive attitude is essential to success.
   Listed on information sheet.

Information Sheet
on
ATTITUDES

Attitude is defined as a "mental set" that causes a person to respond in a certain manner to a given stimulus. Although the word, attitude, is often used, possibly its meaning and importance are often overlooked. It is a characteristic of personality and has a tremendous influence on the basic outlook of life.

The development of a positive attitude by students early in life will ultimately influence success in school, as well as employment. Most everyone is acquainted with someone who has a negative attitude, and after reviewing this person's successes and failures would probably agree that because of a negative attitude many of the doors of opportunity are closed.

People have many different attitudes or mental sets in their perception of any number of things. If a person likes cold weather and dislikes hot weather, this person is said to have a mental set against hot weather. This mental set could apply to colors, make and model of cars, etc. Mental sets of these kinds are generally not of utmost importance; however, the attitude toward a job, supervisor, other employees, company regulations, and salary are very important. A summary of all of an individual's attitude generally represents the person's outlook on life. Therefore, it might be said that one's attitude is how life is viewed.

Generally speaking, goals can be accomplished on the job and from life by the person possessing a good attitude. A negative attitude tends to cause one to concentrate and give attention to unpleasant aspects of the working and living environment, while a positive attitude tends to cause one to be conscious and concerned about meeting established goals--those things that are enjoyable and rewarding.

Just as there is not a perfect person, there is not a perfect occupation or place of employment. All jobs have unpleasant as well as pleasant tasks. Some of the responsibilities (tasks) will be pleasant and rewarding, while others will be boring or unrewarding. An employee who concentrates on the favorable and pleasant aspects of employment will become a positive thinker and will be happier in the job.

The chances of successful employment lessen once a person's perception of the job or firm is no longer positive. The perception of the job, supervisor, and firm is projected by attitude. Therefore, an attempt should be made to maintain a positive attitude. It is normal to be displeased with some of the actions of others, but one must have the ability to discipline thinking and actions and forget the unpleasant aspects of a job.

Reasons a positive attitude are essential for success are as follows:

1. The future of a person depends to a great degree upon the opinions of others;
2. Positive thinking makes one energetic, productive, and alert, and has a motivating effect;

3. People admire and like positive thinkers;
4. Negative thoughts and actions affect co-workers;
5. Positive and negative attitudes are contagious; and
6. Administrators and supervisors are concerned about the influence one worker has on another.

TOPIC: BUILDING A PHILOSOPHY OF LIFE

OBJECTIVE: To lead the student to understand how building a philosophy of life will enable him to be a happier and more useful person.

REFERENCE: Information Sheet, "Building a Philosophy of Life"

ACTIVITIES:

1. Read the information sheet aloud to the students and then discuss the questions in class.
2. Guide the students in a discussion of building a sound basic philosophy of life that they will be proud to live by.

QUESTIONS AND ANSWERS:

Transparencies No. 1 and 2

1. What is a basic philosophy of life?
The way one looks at life.

2. Explain how a philosophy of life has a great deal to do with everyday actions.
The things to do--everyday actions and ideas--are based on a person's philosophy of life, even though he/she may not be aware of it.

Transparency No. 3

3. What should one do before deciding upon established goals?
Take a careful look at both himself/herself and the world before establishing goals.

4. What is the next step after deciding on one's philosophy?
Decide how to put it into effect.

Transparency No. 4

5. What should one do when failing to reach a goal?
One should realize that not all goals can be reached. Choose other goals and begin the process of working toward these, using one's best abilities.

Information Sheet
on
BUILDING A PHILOSOPHY OF LIFE

Webster defines philosophy as the concepts expressing fundamental beliefs. A philosophy of life is the way a person views life and affects everything which he/she does. Expressed in another way, a person's philosophy of life is a set of principles which are followed and serve as standards in measuring individual actions and those of other people. Desires, goals, how other people are treated, and feelings toward others make up a philosophy of life. Expressed in still another way, the sum of a person's ideas, feelings, and attitudes about what is good and bad is a philosophy of life.

Although most people are not aware of it, their philosophy of life greatly affects their everyday actions. Once consideration is given to the way in which things are viewed, one discovers that all things are not really important. Often people would like to change their concepts and attitudes, but changes can be made only after goals have been established. Then changes are made in light of what is really important. The really important things are determined by careful consideration. This may be accomplished by asking questions as to what things and ideas are the most important in life.

Before establishing goals, it is necessary that a person look at himself/herself and the everyday world around him/her. This will assist in determining that which one wants to achieve and provide practice in evaluating situations. It will also assist in determining what one can and cannot accomplish. The intelligent person will establish goals which can be accomplished, rather than attempting to achieve the impossible, which is depressing and frustrating.

Throughout the ages, people have searched for a philosophy to live by. It is possible for students to learn a great deal by reading articles and books about different people's and groups' philosophy. The ideas expressed by some writers are helpful in learning about other people and friends.

Once a philosophy has been chosen, the next step is to put it into effect. However, it may be necessary to experiment with the different ideas and attitudes before the philosophy becomes effective. As the philosophy is expressed, an observation is made of other people's reactions.

A person, relying on his/her concept, attitudes, and reasoning, can put a philosophy into action without much difficulty. This, however, does not mean that mistakes will not be made, even when one's best efforts have been used to solve a problem. All goals cannot be met, but a philosophy of life will help in establishing goals and in reaching them.

TOPIC: HUMAN BEHAVIOR

OBJECTIVE: To acquaint the student with behavior problems and ways to understand and solve them.

REFERENCE: Information Sheet, "Human Behavior"

ACTIVITY:

It is suggested that the teacher discuss the questions with the class after reading the information sheet to the class.

QUESTIONS AND ANSWERS:

1. Why do people misbehave now and then?
   Because they are only human and have a tendency to copy peers.

2. What does it take to overcome behavioral faults?
   It takes an understanding of ourselves and the identification of the causes of our actions.

Transparency No. 1

3. Who forces behavior on a person?
   The person chooses his/her own behavior most of the time.

4. What is misconduct or misbehavior?
   Essentially, it is an unrewarding way of doing things. It may also be an awkward or inappropriate way of getting something desired.

5. What is misbehavior a sign of?
   It is a sign of a person unable to get along with himself/herself and others. Basically, it is a sign of immaturity.

6. Name the certain aims that society has set up for all of us to shoot at.
   Friendliness, unselfishness, and cooperation with others.

Transparency No. 2

7. What are the factors that you must develop to become emotionally mature?
   a. Assume responsibilities
   b. Make compromises
   c. Learn to be thoughtful
   d. Accept minor disappointments from time to time

Information Sheet
on
HUMAN BEHAVIOR

It is difficult for people to act as they should at times. This is particularly true of students and other young adults. Most of the time people act as they are expected to or have been taught to, but being humans and having a tendency to copy the actions of peers, people misbehave now and then. Most people at times are likely to be untidy, lazy, irresponsible, sulky, angry, unfair, uncooperative, critical, or different in other ways which keep them from being on good terms with themselves, their family, or the world in general.

Although people misbehave at times, most have a conscience which dictates to them to make personal improvements and to overcome faults. Generally, a person must have an understanding of himself/herself and know what causes certain actions. Some people even need to forgive their actions and acquire a better opinion of themselves. People who expect unrealistic behavioral goals, or try too hard for perfection, often have more behavioral problems than those with fewer expectations.

One should understand that behavior is never forced on a person. It is a personal choice. No one can make a person angry, or critical, or impatient, or insolent, or sullen. Each individual is responsible for his/her behavior.

Misconduct or misbehavior is essentially an unrewarding way of doing things. People who lose their tempers are often sorry and ashamed afterwards. People most often are displeased with themselves after making a "nasty statement," shirking an obligation, or failing to keep a promise.

Misbehavior is a positive method of making the person who is misbehaving and others unhappy. It prevents one from being proud of actions and proud of self. Misconduct is not only unrewarding, but an awkward or inappropriate method of getting attention or something that is desired. A person would not consider attending a function inappropriately dressed, so why would one not apply this same formula for behavior.

Misbehavior is an indication that one is not at peace with himself/herself, as well as others; and is an indication of a misdirected life. The individual is out-of-step, so to speak. Society has established certain behavioral objectives for people which include friendliness, unselfishness, and cooperation. If these behavioral objectives are not adhered to, then the individual will not be accepted by a large majority of the population.

Most behavioral problems experienced by students and young adults can be attributed to childish feelings and attitudes. As people become mature and older, they must merit the attention, consideration, and respect of others. Students will have to assume responsibilities, make compromises, learn to be thoughtful, and accept disappointments. These are the characteristics of an emotionally mature person. Many students experience an emotional struggle during their teenage years which includes the desire to become independent and self-sufficient but at the same time desire parent protection from harsh realities.

Many behavioral patterns can be corrected with little effort, while others will require considerable discipline and concentrated thought. A great deal of honesty and self-understanding are necessary to learn to act with maturity. A person should try to determine the reason for misbehaving and to learn as much as possible about himself/herself. After making the determination, then it is time to face the problem. It is often helpful to discuss the problem with someone that can be trusted. This person may be a teacher, clergyman, or good friend.

Teenagers should make the most of this period in their lives, but at the same time develop behavioral patterns which are acceptable to others. Emotional maturity should be the behavioral goal.

TOPIC: BEHAVIOR TRAITS

OBJECTIVE: To call to student's attention the fact that behavior traits are important, and to develop within him/her a desire to improve his/her own behavior traits.

REFERENCE: Information Sheet, "Behavior Traits"

ACTIVITY:

Discuss questions in class after reading information sheet.

QUESTIONS AND ANSWERS:

1. What is intelligent behavior?
   Intelligent behavior is constituted by one's capacity to struggle with and solve problems, to conduct himself/herself properly in various situations, to convey thoughts and ideas to others, and to benefit from past experiences.

Transparency No. 1

2. Upon what personal characteristics is behavior based?
   a. Ability to learn
   b. Sound judgment
   c. Mental alertness
   d. Capacity for abstract thinking
   e. General adaptation

3. What determines one's ability to learn?
   Ability to learn is determined by several factors, generally summed up by heredity and environment.

4. Discuss the relationship of wisdom, sound judgment, common sense, and knowledge.
   They are all very similar in nature. Wisdom, sound judgment, and common sense are indications of the proper use of knowledge.

5. Define mental alertness.
   Mental alertness is the ability to react quickly with sound judgment.

6. What makes one person act a certain way and another act in just the opposite way in a given situation?
   Different people react differently to a given situation because of their behavior habits.

Transparency No. 2

7. Discuss ways of improving behavioral habits.
   See information sheet.

Information Sheet
on
BEHAVIOR TRAITS

The ability and capacity to consider and solve problems, to use the proper conduct in various situations, to convey thoughts and ideas to others, and to benefit from past experiences constitute intelligent behavior. Intelligent behavior is based largely on the following fundamental personal characteristics:

(1) Ability to learn
(2) Sound judgment
(3) Mental alertness
(4) Capacity for abstract thinking
(5) Adaptation to situations

A discussion of each of the above is given below:

Ability to learn is greatly influenced by heredity and environment. These two factors are supportive of each other and cannot be separated when discussing the ability to learn. While heredity appears to limit the development of certain abilities, environment has a more noticeable influence in determining the development of specific abilities. For example, a person might inherit the ability to readily retain information but the environment might prohibit his/her being exposed to a learning situation.

Included with sound judgment are wisdom and common sense, for in most cases they deal with the same ideas. Wisdom, sound judgment, and common sense are indications that knowledge is being properly applied. In a situation requiring wisdom, sound judgment, or common sense, the foolish are revealed. Decisions based on prejudice, bias, or selfishness exhibit poor behavioral traits.

Exercising mental alertness, a person can quickly make and understand observations. Reactions with sound judgments are made quickly. The person with this characteristic can concentrate on the important matters of the day, rather than daydream of unimportant things.

Abstract thinking involves the application of actual experiences to anticipated or conjectured related experiences.

Adaptations to various situations includes all the other factors involved in intelligent behavior. This includes the ability to adapt to changing situations smoothly and without difficulty. A person who makes little or no attempt to adapt to a changing situation exhibits poor behavior.

There are many factors in the make-up of an individual that are difficult to put into writing and/or evaluate. What makes one person act a certain way and another act in just the opposite way in a similar given situation is difficult to understand.

Behavior Traits
(Information Sheet continued)

The following are several tips that if put into practice will improve behavioral habits:

1. Treat people as individuals.
2. Recognize that human behavior is unpredictable.
3. Don't pass the buck.
4. Be loyal to others.
5. Seek raises and promotions on merit.
6. Help build department and store morale.
7. Learn the line of authority.
8. Develop a stick-to-it attitude.
9. Do more than is expected.
10. Approach your job with enthusiasm.
11. Be friendly.
12. Accept and carry out responsibilities.
13. Don't be afraid to ask questions.
14. Compliment fellow workers.
15. Don't be "too eager."
16. Don't join "cliques."

TOPIC: BEING HONEST WITH YOURSELF AND OTHERS

OBJECTIVE: To lead students to believe that honesty is the best policy in achieving the important goals in life.

REFERENCE: Information Sheet, "Being Honest with Yourself and Others"

ACTIVITY:

Read the information sheet aloud in class, and use the questions for class discussion.

QUESTIONS AND ANSWERS:

1. What is honesty?
   Honesty is keeping the rules.

2. Is dishonesty always harmful?
   Yes. Even though no one else may be injured, the person being dishonest will be hurt.

3. Name some unwritten rules of honesty.
   Wait your turn and return borrowed equipment.

4. Explain the statement, "To keep our system of society functioning smoothly, laws must be kept and preserved."
   Our society has both written and unwritten laws which govern our day-to-day activities. We must not only expect everyone else to obey these rules, but we must abide by the rules also. Each one of us has a part to play and when we fail in our responsibility we may injure ourselves and/or someone else.

5. List three rights granted us by the Declaration of Independence.
   Right of life, liberty, and the pursuit of happiness

Transparency No. 1

6. List six ways one may be dishonest. Discuss each of these.
   Lying, stealing, cheating, telling "white lies," misrepresentation of facts, and partial truths

7. Discuss your responsibility to your employer in dealing with these ways of being dishonest. (Group discussion.)

Information Sheet
on
BEING HONEST WITH YOURSELF AND OTHERS

All have heard the statement, "Honesty is the best policy," many times; however, there seems to be an increasing number of people who challenge the validity of the statement and the philosophy it expresses. Most people would agree that burning and looting public property is harmful to society. However, many of these same people will perform dishonest acts. When questioned, they will dismiss their action by stating that it was harmless. Actually, dishonesty in any form is harmful. It may not appear to be harmful to anyone else; but it is harmful to the person performing the act, because dishonesty is a habit forming menace. Also, honesty is the best policy for the person attempting to attain meaningful and lasting goals in life.

What is honesty and why is it important? Honesty is simply abiding by the rules, and abiding by the rules in the game of life is as important as playing by the rules in a ball game.

Possibly many students have never seriously considered the vast complexity of the many laws, rules, and regulations that govern the actions of our society. Some of these are written, while others are unwritten. Yet all are accepted by a majority of the population. Without rules, regulations, and laws, schools, businesses, and life itself would be confusing and hectic.

Suppose employees reported to work when they wanted to, bus drivers made their run without regard to schedule, drivers obeyed traffic rules at will, and meals were served when there was not something else to do. Confusion of this type would make people realize the importance of rules and realize that they are not intended to limit personal activities.

Some rules such as waiting in line until it becomes a person's turn or returning borrowed property are easily understood. Examples of written rules are stopping at a stop sign and driving on the right side of the street. Everybody is expected to obey these and other rules that affect the day-to-day activities of people. Many people are involved, and each person is expected to keep the rules. This is necessary for society to function smoothly. When a rule is broken someone is injured, although it may not be a physical injury.

High school students are familiar with the individual rights granted by the Declaration of Independence, "... the right of life, liberty, and the pursuit of happiness." Because these rights are extended to all citizens, the statement, "You can't do this to me--I have my rights," is often heard.

Dishonesty removes the freedom and rights of others. Cheating, lying, and stealing are dishonest. Cheating is the taking advantage of others. Property rights are violated when one steals. One of the basic principles of citizenship in the United

Being Honest With Yourself And Others
(Information Sheet continued)

States is the private ownership of property, which includes personal and real property. Since stealing violates this basic principle, the crime is committed against the property owner, as well as society. One should remember, however, that for every personal right stipulated in the Constitution, there is a responsibility that accompanies it.

The rule of communication is broken when one lies. Words have specific connotations and meanings; however, communication may involve more than words. The methods used to express ideas to others may include signals, such as are used in ball games, signs on billboards, and spoken words. If words, signals, and signs are not used to convey their accepted meaning, then the rule has been broken; and people have been misled. People who have been misled lose confidence in the person or firm that is responsible for the communication.

More than a knowledge of the rules is required to prevent them from being broken. It is not always easy to be honest, and self-discipline is often required to remain honest. The following survey will provide an example of some high school students' opinions on the importance of honesty. One hundred students were asked: Would you allow a friend to copy from your exam paper and would you copy from his/her paper?" Their responses were as follows:

14 - Were not sure or undecided
32 - Would let a friend copy
54 - Would not let a friend copy

Forty-six of the 100 respondents were undecided or would let their friends copy, or would copy from their friend.

Three common forms of dishonesty are so-called "white lies," misrepresentation of facts, and failure to present the whole truth.

TOPIC: YOU AND YOUR PARENTS

OBJECTIVE: To encourage the students to maintain good relationships with their parents, and to prevent difficulties that may arise in the family circle.

REFERENCE: Information Sheet, "You And Your Parents"

ACTIVITY:

Discuss the following questions after having read the information sheet aloud.

QUESTIONS AND ANSWERS:

1. What conflict arises as a result of growing up?
   Teenagers want to be independent of the restrictions they have been subjected to; and on the other hand, they feel a need for security.

2. Give reasons why parents feel they have a right to make some of the decisions.
   a. Teenagers are a part of the family group.
   b. Parents have much invested in teenagers.
   c. They have provided counsel and finance and are generally concerned for the best interest of the teenager.

3. What is a sign of a youth growing up?
   Revolt against parental ties

4. What does freedom carry with it? Discuss.
   Responsibility--Freedom from parental ties and authority carry certain unavoidable responsibilities in assuming an adult role in society.

Transparency No. 1

5. Discuss the problems listed that are brought about by growing up.
   a. Allowances or management responsibilities regarding money
   b. Dating and other social activities
   c. Freedom in selecting close friends
   d. Personal habits, such as smoking
   e. Participation in extracurricular activities
   f. Choice of school courses and career plans
   g. Choice of clothing and grooming

Information Sheet
on
YOU AND YOUR PARENTS

Getting along successfully with parents is often a problem for teenagers. The problem is usually due to the teenagers' developing in maturity. They wish to become independent of parental supervision and resent any restrictions placed on them, while at the same time feeling a need for the security provided by parents. If handled improperly, the conflict can cause both teenagers and parents to be unhappy.

Revolt against parental ties and authority is a natural thing for young people and is a healthy sign they are beginning to mature. However, teenagers should remember that parents have a considerable investment of both time and money in them. Parents have provided the basic needs for livelihood, have nursed their children through sickness, and have administered first aid for physical injuries, as well as to the emotional anxieties for a number of years. Generally, parents are supportive of activities which will assist the development of the teenager and are concerned for their best interest.

The process of removing teenager restrictions, corresponding freedoms, and the acceptance of more responsibilities normally occurs over a relatively long period of time. However, if the teenager demonstrates the ability to use the freedom properly and adequately accepts responsibilities, the process usually is much faster. The pain, however, for both the parent and teenager is usually less when accomplished slowly.

After receiving their first, new found freedom, teenagers often feel they have "finally arrived." They soon discover, however, that freedom requires added responsibilities. These responsibilities add to the complexities of life.

Some of the problems encountered by teenagers are as follows:

(1) Amounts of allowance and the responsibility of handling money;
(2) Dating and other social activities;
(3) Freedom to select close friends;
(4) Choice of clothing and grooming;
(5) Personal habits, such as smoking;
(6) Choice of school courses and career plans; and
(7) Participation in extra-curricular activities.

It would be a happy thought to think that every family is happy and problem free. However, this is not the case. Most all families have some problems, although the magnitude of the problems will vary. Some family problems are quite complex, while others have fairly insignificant problems. The first step in correcting a problem is to recognize it. The next step is to develop a solution, and the final step is to employ the solution. To solve most family problems, action on the part of family members will be required.

TOPIC: HOW TO GROW UP

OBJECTIVE: To encourage the student to know some marks of social maturity and to know how to grow up socially.

REFERENCE: Information Sheet, "How to Grow Up"

ACTIVITY:

Read information sheet aloud in class, and lead a group discussion of the questions.

QUESTIONS AND ANSWERS:

Transparency No. 1

1. What are the three ways discussed in which each person should mature?
Physically, mentally, and socially

2. Why should students be concerned with social maturity?
The ability to get along with people influences success and happiness.

3. List and discuss some childish traits which indicate immaturity.
Dependence, selfishness, short attention span, a highly active imagination, and vague idea about time

4. List some signs of a socially mature person. Discuss these.
There are 16 items listed on the last page of the information sheet which are given as "signs of a socially mature person."

Information Sheet
on
HOW TO GROW UP

It is obvious that high school students are growing up physically by adding inches to their height and pounds to their weight. A ruler or scale can be used to determine this growth. They are also growing up mentally by adding words to their vocabulary, becoming more skillful in their ability to solve problems, and increasing their capacity of useful knowledge. Although students realize that some of the people around them are more intelligent than others, this kind of growth cannot be measured as effectively as physical growth. With a testing program, however, certain indications of maturity can be evaluated.

Another kind of growth, which is still more difficult to evaluate, is social growth. This is probably the most important type of growth of the three mentioned and will largely determine how well students get along with their friends, employer, teachers, family, and the people they meet. This development will influence success and the finding and keeping of a job.

Because students like to feel they are already mature, some are irritated by the statement, "You are growing up." However, each should continue to mature socially just as they mature physically and mentally. Generally there is very little correlation in the growth of several individuals in these three areas. The smallest student physically may be superior mentally, and a person, small or large in stature, may have social development.

Social development should be an important concern of students, since people are born into a social world made up of individuals and groups. Social development would not be a concern if people were born and raised in isolation. However, each day social situations are encountered, and the choice of actions to these situations determines social maturity. Proper social behavior does not develop naturally. Like other skills, it is developed through constant practice.

Regardless of the statement that he/she does not care what others think, a person does actually care. If a student does not believe this, he/she might ask how many things have I done today because approval of associates was desired.

The following will help in considering ways in which people grow socially. A socially immature young child might be used as an example. A young child is dependent upon parents and others for existence, is selfish and gives little thought to the desires of others, desires are all important, and his/her attention span is very short. If sent into the next room to get a coat, the young child may be found busily eating crumbs from the cookie dripped earlier. Children have a highly active imagination, and some time is required for them to learn the difference between air castles and the realities of life. Other traits of immaturity are the vague idea about time and the inability to make plans for tommorow. A normal day's supply of candy may be consumed in a short time, producing a stomach ache and no candy to eat in the afternoon.

No one expects a child to act otherwise. As the child grows older, he/she must begin to replace the traits of immaturity with independence, consideration of others, endurance, mature reasoning, and the proper concept of time.

Opportunities to mature socially depend upon a number of factors. The employment of students in the ACT program provides opportunities for development, since these students will deal with a number of people in performing their responsibilities.

Signs of maturity traits in a person are as follows:

1. Independent and can take care of self;
2. Capable of making proper behavioral decisions;
3. Earns and handles own money;
4. Assumes responsibility and follows through on job assignments;
5. Plans for the future;
6. Seldom overdoes any activity, even favorite sport;
7. Has a sense of humor;
8. Takes a positive approach to life and does not let a problem cause severe depression;
9. Participates in group activities;
10. Knows how to get along well with others;
11. Judges people on their merits;
12. Is helpful to others;
13. Seeks attention and approval through worthwhile achievements;
14. Gives and accepts constructive criticism;
15. Believes in intelligent cooperation rather than cut-throat competition; and
16. Narrows love interest to only one person when the proper time arrives.

The contrast between socially mature and socially immature people is striking. The immature person still has the behavorial traits of a child, and expects others to take care of him/her. He/she shuns responsibilities and has no real sense of the importance of planning for the future. What contributes even more to his/her failure is the fact that he/she has never learned to get along with others. How socially mature are you?

TOPIC: HOW TO STUDY

OBJECTIVE: To encourage the students to develop good study habits while in high school.

REFERENCE: Information Sheet, "How to Study"

ACTIVITIES:

1. Read the information sheet aloud in class, and use the questions for class discussion.
2. Have a successful college student visit the class to answer questions about study habits.

QUESTIONS AND ANSWERS:

1. List two factors that affect learning?
   Abilities and attitudes

2. Along with ability to reason, what other two things are needed to accomplish goals?
   Intellectual maturity and intellectual curiosity

3. What would one expect to learn from educational and occupational tests?
   Interests, skills, and attitudes

4. Why is it important to begin early in high school to work toward a goal?
   The sooner the student becomes serious about attaining a goal, the more likely the chances for success.

Transparency No. 1

5. List and discuss the eight tips for efficient study. Name others.
   (Listed on the last page of the information sheet.)

Information Sheet
on
HOW TO STUDY

As students progress from educational infancy to educational maturity, they change physically and mentally. There has been a progressive increase in the difficulty of school work required from kindergarten, grade school, and high school. To successfully attend college even requires greater efforts.

Some students develop much slower than others and are not ready for the increasing complexities that precede educational maturity. As students reach educational maturity, there is the opportunity for participation in activities both out-of-school and in school. Students participating in a number of activities often feel "spread thin." Also, more is often expected of students, and it becomes increasingly important that students make wise use of their time.

Going to school and completing the required course work in four years is a full-time job. Yet, it is not an impossible situation. Adjusting to the demands of course work is difficult until students learn to study efficiently. Many students wish they could complete their school work better and faster. One should learn early that studying requires work, but there are some "short cuts" which will make studying much more effective. Abilities and attitude greatly affect learning.

The abilities to reason and grasp facts will be needed; however, these abilities vary from one individual to another. The person with an above normal amount of "gray matter" is fortunate, and some students feel they just do not have the ability. However, most all students have more ability than they think they do. The problem is the abilities are not being used effectively. Also, intellectual maturity and the curiosity which accompanies it are needed. Intellectual curiosity is that which makes a student want to learn the course content, rather than mark time. Often courses that are thought to be uninteresting prove to be interesting after the attitude has improved and a certain amount of time has been spent studying.

While engaged in the different course work in high school, students need to consider the fields in which they are the most interested. If a student does not have a preference, educational and vocational tests can be taken to determine interests, skills, and aptitudes. Once a student has determined the general goal an attempt should be made to enroll for the courses that will assist in achieving the goal. The sooner the student becomes serious about attaining a goal, the more likely the chances of success.

Employing the following will assist students in making the time they spend studying more effective:

1. Plan work. The student should not spend all of his/her time on one course.
2. Use free time during the day to study. This will leave time for other study or activities at home.
3. Concentrated study on words or facts during short periods of available time will

save longer periods of time for other accomplishments.

4. Relax now and then. After 35 to 45 minutes of concentrated study, the student should take a break for a few minutes.
5. Studying should be in an area free of noise and other distractions.
6. Concentrate on accuracy first, then speed.
7. The student should not become too relaxed while studying.
8. Studying in the same place, desk or similar area, is conducive to concentration.

TOPIC: IMPROVING YOUR READING

OBJECTIVE: To cause students to desire to improve their reading skills.

REFERENCE: Information Sheet, "Improving Your Reading"

ACTIVITY:

After a study of questions concerning the information sheet, test students to determine their reading speed and comprehension. Material can be secured from the reading lab for this testing.

QEUSTIONS AND ANSWERS:

Transparency No. 1

1. Why is reading so important to students? Discuss.
   The rate of learning is determined by reading skill. Efficient reading has much to do with one's success in school, on the job, and in his personal life.

2. List and discuss steps necessary to improve reading skills.
   a. Find present reading level and those areas in which improvement is needed.
   b. Start a systematic program designed to correct undesirable habits and build more effective ones.
   c. Continue the program long enough to be sure new habits have been developed and maintained.
   d. About every six months, check to see if reading is still being done effectively, or whether improvement is needed.

3. List some observations that should be made by students as reading is improved?
   a. Several words are read at a glance when reading silently.
   b. The habit of reading whole units rapidly will be formed.
   c. Lip movement will be reduced when reading silently.
   d. Reading rates for different kinds of materials are adjusted.
   e. Vocabulary is improved.
   f. The reader refrains from looking back over that which has been read.

Transparency No. 2

4. List the characteristics of good readers.
   a. They realize that good health includes adequate vision and hearing.
   b. Reading is done in a place free of distracting noises and interruptions.
   c. When reading, full attention and concentration are given to materials.
   d. Read rapidly and have a high degree of comprehension.
   e. Have a good vocabulary and grasp new words rapidly.
   f. Understand meaning of unfamiliar words when they are in context.
   g. Grasp whole units as they read; ideas are conveyed by groups of words and not from one word.

Information Sheet
on
IMPROVING YOUR READING

Reading is one of the most important skills a person will ever learn. Efficient reading greatly influences success in school, on the job, and even in personal life. Since reading is so important to present and future success, students should have a desire to improve their reading abilities.

Reading provides a person with information and makes him/her more interesting. A fast reader with good comprehension will have more time to read, will be able to read more, and will acquire more information. The more knowledge one obtains, the better understanding he/she will have of himself/herself and past and future events.

Studies reveal that almost all students, as well as adults, can improve their reading speed and comprehension. To acquire comprehension and speed in reading, a person needs to develop good reading habits. It is a fairly simple matter to check reading speed and comprehension. Based on a program initiated during World War II to improve the reading of service men, it was determined that after learning to read well, the service men enjoyed instructions much more.

Some steps that may be used to improve reading skills are as follows:

1. Determine present level of reading and areas in which improvement is needed.
2. Initiate a systematic program to correct deficiencies;
3. Continue program until desirable reading habits (speed and comprehension) have been developed; and
4. Check reading periodically to determine reading effectiveness.

Patience and endurance will be required to improve reading. Normally, progress is quite rapid at first, then progress is slower. After a short time, however, progress is more rapid again. This applies to the acquiring of most skills. This might be compared to learning to swim. The beginner learned the stroke and progressed rapidly for a short time. Then it becomes more difficult to further improve the stroke until the related coordination skills were improved. Eventually with practice rapid progress was made.

Good readers possess the following characteristics:

1. They realize that good health includes adequate vision and hearing.
2. Reading is done in a place that is free from distracting noises and interruptions.
3. When reading, full attention and concentration are given to the materials.
4. Read rapidly and have a high degree of comprehension.
5. Have a good vocabulary and grasp new words rapidly.
6. Understand the meanings of unfamiliar words when they are in context.
7. Grasp whole units as they read; ideas are conveyed by groups of words and not from one word.

Improving Your Reading
(Information Sheet continued)

8. Evaluate and judge different kinds of materials as they read. A novel is read much faster than a chemistry assignment.

Students will make the following observations as reading is improved.

1. Several words are read at a glance when reading silently. Response is to ideas rather than to words.
2. The habit of reading whole units rapidly will be cultivated.
3. The main ideas or complete thoughts of different passages will be understood.
4. The amount of lip movement will be reduced when reading silently. (Placing a finger on the lips is a good way to detect lip movements.)
5. Reading rate of different kinds of materials is adjusted.
6. The reader refrains from looking back over that which has been read. Reader reads ahead and reviews at the end of each section.
7. A regular schedule of reading is followed.
8. Vocabulary is improved by a word study of unfamiliar words.

TOPIC: VOICE AND SPEECH

OBJECTIVE: To show students the meaning of conversational ability and its importance to them as employees.

REFERENCE: Information Sheet, "Voice And Speech"

ACTIVITIES:

1. Duplicate the information sheets for students to study in class. Conduct a group discussion using the prepared questions.
2. Allow the class to score each student, using the voice rating scale, as assigned paragraphs (such as the FFA Creed) are read.

QUESTIONS AND ANSWERS:

Transparency No. 1

1. What is the relation of the voice with the personality?
The voice is a whole dimension of the personality. We are judged by our voice even as we are by our physical appearance.

2. Can an individual do anything to develop a good speaking voice? Explain.
Yes. The pitch, tone, and general expression can be regulated to some degree by the speaker. See qualities listed on the "Voice Rating Scale."

3. List some activities available to FFA members which can improve the effectiveness of one's voice.
Public speaking contest, chapter conducting, and farm skill demonstrations are some activities available to FFA members.

Information Sheet
on
VOICE AND SPEECH

The voice is the sound effect of personality and is the whole dimension of the personality. A good personality without an effective, pleasant voice can be compared to a good movie without sound.

Just as a person is judged by appearance, so is he/she judged by the voice. One cannot speak without being judged on this characteristic of the personality. Subconsciously a person asks these questions when someone speaks: Is the voice pleasant to listen to? Is that which is said understood? Is he/she talking too fast?

An effective, pleasant voice commands attention and demands respect. Often it is the tone of voice that people use that makes others remark, "He/She knows what he/she is talking about."

Fortunately, a good speaking voice can be developed. The FFA public speaking contest, extemporaneous speaking contest, chapter conducting contests, and skill demonstrations are designed to improve speaking skills, as well as other skills. Also, high school speech courses have much to offer toward developing speaking abilities.

In order that students can recognize their voice qualities, a "Voice Rating Scale" has been included. As members of the class stand before the group and read a few paragraphs, other class members should rate them individually as to their voice qualities. After all of the rating sheets have been completed, then they are given to the student being rated in order that he/she may determine the areas in which improvement is needed.

VOICE RATING SCALE

Rate each student on the following qualities of voice as selected paragraphs are read.

1. Distinctness:

______ Can barely understand
______ Satisfactory
______ Very distinct

On the job it is necessary to communicate with others. Time will be lost if orders or instructions have to be repeated. This is very important for supervisory or management personnel.

2. Pitch:

______ Low pitched
______ Satisfactory
______ High pitched

This is part of the pleasing qualities of the voice. It makes us uncomfortable to listen to some people talk.

3. Speed:

______ Too slow
______ Satisfactory
______ Too fast

Rapid speech is often associated with nervous tension. Too slow speech makes other people nervous.

4. Loudness:

______ Too quiet
______ Satisfactory
______ Too loud

There may be times when a person is working in a noisy place and will have to "speak up" to be heard. There are also times when too much volume is annoying.

5. Emphasizing Words or Phrases:

______ Speaks in monotone
______ Satisfactory
______ Too "dramatic"

All have heard speakers who use only one tone of voice. Probably all will agree that this gets tiresome.

6. Sincerity:

______ Just talking
______ Satisfactory
______ Means what is said

Many people talk all the time; others don't talk enough. Will people say of the speaker, "When he/she says something, it is known that he/she means it."

7. Pleasant manner:

______ Wish he/she would get through
______ Satisfactory
______ Could listen longer

Which will people say of the speaker? Contribution to meetings and to conversations with other employees might depend on this quality.

Voice And Speech
(Information Sheet continued)

8. Stammers or hesitates:
______ Often
______ Satisfactory
______ Occasionally

Practice will help to correct this. This experience again comes from the speech classes and speaking contests.

9. Friendly tone:
______ Holds a grudge
______ Satisfactory
______ Easy to talk with

A person's voice is often considered to be the "mirror" of the mind. Some people make conversation a pleasure; others make it a chore.

10. Speaks with hands:
______ Too many motions
______ Satisfactory
______ Too few motions

Some people overdo this and distract from the conversation. However, in giving instructions this may be very important.

TOPIC: USING INTELLIGENCE

OBJECTIVE: To encourage students to make the most of their learning abilities.

REFERENCE: Information Sheet, "Using Intelligence"

ACTIVITY:

Duplicate and have students read the information sheet or read it aloud in class and use questions for group discussion.

QUESTIONS AND ANSWERS:

1. Discuss the following statement: The reason students can perform certain skills today that they were unable to perform at an earlier age is that they have grown up.

2. At what age does a person stop learning?
Learning continues as long as one lives.

3. Define learning.
Learning is a change in a person's actions and ways of behaving or thinking which is the result of training and experience.

4. In what two capacities is our learning restricted? Discuss.
Physical and mental. (Group discussion.)

5. Why do some people learn faster than others? Discuss.
Some have a greater capacity to learn or a greater desire due to the composition of their minds. People think more if they have more "gray matter" in their brains.

6. List and describe some motives for learning.
Monetary reward--Learn for the pleasures that can be bought with the money received for learning.
Approval--Learn to receive the approval of those in which one comes in contact instead of condemnation for bad grades or lack of sense.
Not to be punished--Learn to prevent punishment.
Self-satisfaction --Learn for pleasure received from knowing something.

Transparency No. 1

7. Discuss the items listed on above transparency activity.

Information Sheet
on
USING INTELLIGENCE

A person is the product of that which has been learned. Habits and personality are greatly influenced by learning. As a person grows in stature and progresses educationally, he/she is able to do many things mentally and physically which could not formerly be accomplished. The primary reason for this can be attributed to learning. Although it is said that a child receives about one-half of lifetime learning in the first three years of life, a person should never stop learning. Learning and how well one learns affects success in school and success, to a great degree, in future life. Learning causes a person to change concepts, behavior, and reaction to situations. Although some of these changes can be attributed to maturity, the greater part is the result of training and experience.

Physical and mental capacities serve as restrictions to learning. For example, a child, after watching a bird fly, may perch himself/herself on a ladder and pump his/her arms wildly but will never become airborne due to own efforts. This is not within the bounds of a human's capabilities. Each person differs in learning capabilities. Some people seem to naturally learn to play football faster and better than others, while some people appear to have an innate ability to learn a particular subject. If a student has a natural ability which enables him/her to learn quickly and retain what is learned, this student is fortunate and should capitalize upon these abilities.

General health and body condition influence learning. Most students have tried to study while they had a headache or common cold and are aware learning in these situations is more difficult. This might be compared to a powerful car engine which is not running well. When the engine is in proper tune, it starts immediately after turning the ignition and will run faster on the highway. Health, body condition, and attitude toward the subject will affect the speed and efficiency of learning.

Capabilities increase as the body grows and as certain materials are learned. Both learning and the development of skills and abilities are building processes. After learning one ability or developing one skill, then one more difficult or complex can be learned. Most students probably cannot remember when athletes considered it physically impossible to run a four-minute mile. Due to changes in training procedures, a number of runners have been able to reach this goal. Some day athletes may be running a three-minute mile. The point is this, there are limitations as to what an individual can accomplish, but usually a person can learn and perform skills far beyond those imagined; that is, if there is enough desire or motivation to encourage one to reach an established goal.

Students have probably noticed that it is much easier to learn the names of major league baseball or football players than it is to learn chemical compounds or the names of the Presidents of the United States. Motivation accounts for most of the difference. Motivation to learn simply means wanting to learn. People are motivated for different reasons, but usually it is for a reward or to prevent some form of punishment.

Motivation may be compared to teaching a dog a trick. Most students have probably seen a dog that was taught to bark on command. To teach the dog to bark, the trainer held a piece of meat barely out of the dog's reach and gave a command. The dog jumped for the meat, ran around the trainer, and finally barked. When the dog barked, the trainer gave the dog the meat and patted him, showing approval. After repeating this procedure several times and rewarding the dog each time he barked, the dog soon learned that to receive the meat he had to bark on command. Reward and approval are the reasons people desire to learn. People also learn through experience or repetition.

TOPIC: GAINING CONFIDENCE

OBJECTIVE: To create in the students' minds the importance of self-confidence and ways to develop self-confidence.

REFERENCE: Information Sheet, "Gaining Confidence"

ACTIVITIES:

1. Distribute information sheets and select a few students to conduct a panel discussion on such topics as, "Why we feel insecure with ourselves," "Needs of self-confidence," "What you can do about a lack of confidence," "Some evidences of self-confidence," "What the school can do to assist in gaining self-confidence."

2. Summarize, with the class, ways in which students can gain self-confidence.

Information Sheet
on
GAINING CONFIDENCE

Self-confidence is the art of knowing and feeling that one can accomplish an established goal or assigned task. It is a trait that will assist one in becoming successful and might be called a habit of thinking "I can," rather than "I am afraid I cannot." Assume that a school club has chosen a student to make a five-minute presentation at an assembly before the entire student body. The student with self-confidence would feel that he/she could make a good presentation rather than being afraid that he/she could not do it.

Most students know people who demonstrate a lack of self-confidence. They are afraid to attempt a difficult task and will avoid it if possible. Excuses are given to themselves and to their friends. They also often delay doing difficult tasks. Many times these people are shy and bashful because they believe that others have more ability. They have an inferiority complex.

The person who lacks self-confidence must begin to convince himself/herself that there are some things that he/she can do well. A positive attitude that he/she can succeed must be developed. Most everyone experiences failure, but those with self-confidence learn from the experience and do not become discouraged. Normally, success with small things will provide courage to attempt something more difficult.

The student who will receive the most benefits out of attending high school will be the one that seizes every opportunity to develop self-confidence. Each lesson that a teacher assigns offers such an opportunity. Every time a lesson is well done, thoroughly and on time, self-confidence is being developed. The student who makes an excellent recitation, writes a good paper, or delivers a good report is building self-confidence. Also, the student who works faithfully on committees and takes an active part in school activities outside the classroom is building self-confidence.

Students might wish to consider the poem which aptly states that which was discussed:

If you think you are beaten, you are.
    If you think you dare not, you don't.
If you like to win, but you think you can't
    It's almost a cinch you won't.
If you think you'll lose, you're lost;
    For out of the world we find
Success begins with a fellow's will,-
    It's all in the state of mind.

TOPIC: LOGICAL THINKING

OBJECTIVE: To impress upon the students the importance of applying logic in their everyday activities.

REFERENCE: Information Sheet, "Logical Thinking"

ACTIVITY:

It is suggested that the teacher discuss the questions with the class after they have read the information sheet or have heard it read aloud in class.

QUESTIONS AND ANSWERS:

1. What is logical thinking?
   Logical thinking may include considering the results of actions being contemplated; trying to determine the reasons and causes for certain actions; and/or acquiring evidence to prove or disprove a point of view.

2. How does logical thinking help in making future plans?
   Problems are much easier solved.

3. When do students have opportunities to practice logical thinking?
   Every day in minor decisions about work, study, money, and relations with friends and families.

Transparency No. 1

4. What are the things we should avoid in logical thinking?
   Strong feelings, prejudices, and superstitions

5. Explain how superstitions affect logical thinking.
   Superstitions prevent logical thinking.

6. Discuss prejudices in dealing with problems.
   Prejudices causes a person to form an opinion before getting the facts or evidence.

7. Explain how strong feelings affect problem solving.
   It interferes with logic and causes one to become opinionated.

8. What two factors, other than logical thinking, are very important to successful living?
   Physical and emotional health

Information Sheet
on
LOGICAL THINKING

Logic is defined by Webster as a particular mode of reasoning, but perhaps a simpler definition might be the science of clear thinking. Logical thinking may include the consideration of the results of actions that are being contemplated, trying to determine the reasons and causes for certain actions, and/or acquiring evidence to prove or disprove a point of view. Logical thinking should be based on valid evidence which will help provide answers for problems.

Logical thinking is important because people with the ability find that problems are much easier to solve and life is less frustrating. As people interact daily with others, they have an opportunity to apply logic. Some so called minor decisions that are made daily by students which require logical thinking pertain to work, study, use of money, and relationships with friends and family. Major decisions must also be made daily. Included in this group might be political and social problems and career plans. Logical thinking requires that a person have an open mind and repress prejudices and superstitions.

Strong feelings or opinions have an important influence on people's lives. Although it is natural to be angry when treated unjustly, excited over a friend's success, and happy when achieving something which requires a great deal of effort, being opinionated can interfere with logic. For example, the fear of an exam can become so great as to cause one to rest on past laurels and overlook problems still to be solved.

The prejudiced person forms an opinion before gathering the facts or evidence. This prevents logical thinking. If a person has a tendency toward prejudices, a concentrated effort must be made to rid himself/herself of them. Otherwise, the habit of forming an opinion without factual evidence is developed. Most high school students probably know a person who can immediately present an opinion on most any subject or a solution for most any problem.

A superstitious person has little respect or esteem for himself/herself. Trust is placed in a bit of animal fur, an old coin, or some other item, rather than using the powers of reasoning. Superstitions prevent logical thinking; therefore, these must be suppressed.

Problems will not vanish even after developing a habit of logical thinking. There will always be problems. A happy life is not a life free of problems, but one in which a person deals successfully with most of the problems that appear.

There are factors other than logical thinking which affect the ways in which problems are handled. Physical and emotional health are two such factors which are very important to a successful life. However, the ability to think clearly is one of the most useful tools in dealing with problems.

TOPIC: PROBLEM SOLVING

OBJECTIVE: To acquaint the student with problems and with solutions to help solve them.

REFERENCE: Information Sheet, "Problem Solving"

ACTIVITY:

Read information sheet aloud in class, and discuss the questions.

QUESTIONS AND ANSWERS:

1. What is the first step in problem solving?
   Find out exactly what the problem is.

2. What type of people have problems?
   Everybody--young, old, rich, and poor

3. Will people always have problems?
   Yes, the problems will change as high school students mature, but they will continue to arise.

4. Why is it important to learn better ways to solve problems?
   It prevents worry and unhappiness.

5. What kind of problems do students usually have?
   Problems concerning school, getting along with others, girl (boy) friends, the future, home and parents, and things in general.

6. What is the secret of success when it comes to solving problems?
   Attack them directly.

Transparency No. 1

7. Name some of the methods to help solve problems.
   See above transparency

8. List and discuss the people that will help in solving problems.
   Parents, teachers, counselors, ministers, and family doctor.

Transparency No. 2

9. List factors that should be considered in determining if a student is making progress in understanding himself/herself.
   a. Goals and desires
   b. Strengths and weaknesses
   c. Goals are realistic
   d. Reaction to adversity

Information Sheet
on
PROBLEM SOLVING

Webster defines a problem as a question raised for inquiry, consideration, or solution. One can readily see from the definition that everybody has problems. It would be a rare individual who did not have them. Preparing for an exam, getting a date, feeling the need for friends, and getting a car to run properly are problems that could be confronted by high school students.

Life is made up of a series of problems that must be solved with varying degrees of success. Since the problems of adults are quite different from those of children, maturing adults, high school students, encounter problems which require different solutions. Students are aware that their behavior and thinking must conform or be acceptable to those with whom they come in contact. It is often difficult for students when their behavorial standards are based on those of an adult in their daily interaction with people. However, these are the established norms, and students must be able to solve adult problems with little experience and knowledge of the adult world.

Since unsolved problems cause worry and unhappiness, it is important that students learn a procedure that may be used in solving problems. To solve problems effectively, a person needs to know as much as possible about himself/herself. A knowledge of personal strengths and weaknesses allows a person to determine how a particular problem will affect him/her. Self-understanding is not an easy task and cannot come about in a matter of a few hours. However, there are ways in which one can get to know himself/herself.

The consideration of the following should be helpful in determining if a student is making progress in understanding himself/herself.

1. Goals and desires. This refers to long-term goals. The kind of person the student wishes to be in 10 years.
2. Strengths and weaknesses. Strengths are those characteristics in which the student is satisfied. Weaknesses refers to those personal characteristics in which the student can concentrate. For weaknesses, an outline should be developed for strengthening them.
3. Goals are realistic. Are the chances good that the student can achieve established goals? Goals should require one's best efforts, but should not be unrealistic.
4. Reaction to adversity. How does the student react when he/she is kept from getting something desired? Some people react by getting mad or running away, while others attempt to compromise or use a different approach. People using the latter usually achieve their goals or at least some of their goals. Life involves compromises.

Problem Solving
(Information Sheet continued)

One of the secrets for success when solving problems is to attack them directly. Instead of going from one solution to another trying to find an answer, the effects of each solution must be determined. The obstacles that prevent the problem from being solved should be listed, then a list of probable solutions should be developed.

The steps that may be used in problem solving are listed below:

1. Determine the exact problem. It is helpful to write the problem on paper.
2. Develop a list of obstacles that prevent the problem from being solved.
3. Prepare a list of advantages that are available to work with. It may be necessary to secure information from books or pamphlets and through counselors, and minister.
4. Prepare a list of possible solutions.
5. Determine the results or effects of each solution listed.
6. Determine the best solution.
7. Put plan into action.

It is easier to follow the above procedure if each step is written. This provides a better overall concept of the problem, obstacles, and solution. If step No. 7 is omitted, the problem remains unsolved. Many everyday problems do not require a person to go to as much detail as is listed above; however, it is the best method for problem solving when there is an important problem that requires one's best thought and effort.

Friends, parents, and others are generally glad to help young people solve their problems. Young people often fail to consult their parents because they feel that their parents will not be sympathetic or understand. However, most parents are vitally concerned for their children and their problems and only need to be consulted.

TOPIC: PERSONAL HEALTH

OBJECTIVE: To familiarize the students with good health habits.

REFERENCE: Information Sheet, "Personal Health"

ACTIVITY:

Read information sheet and discuss questions.

QUESTIONS AND ANSWERS:

1. What is good health?
   Good health at an optimum level includes a bountiful supply of energy, stable nerves, disease resistance, an alert mind, a strong body, and a happy outlook on life.

2. Why are so many young men turned down by the armed forces?
   Because of physical, mental, or moral reasons. Many were rejected because of physical condition due to poor diets.

3. What is the main reason for defective teeth?
   Improper diet

4. List some foods that should be included in the daily diet.
   Milk and milk products, oranges, tomatoes, grapefruit, green and yellow vegetables, bread and cereals, meat, poultry, fish, dried beans, eggs, butter, and spreads

5. List some do's and don'ts in eating.
   a. Don't eat between meals.
   b. Don't skip breakfast.
   c. Do eat in the school cafeteria.

6. List reasons why exercise is important.
   a. Essential to vitality
   b. Prevents fat accumulation
   c. Exercise adds form, contour, curves, firm flesh, and muscle toning.
   d. Maintains the proper body weight

7. Why should a person keep clean?
   a. It creates a warm friendly, favorable reaction.
   b. Helps in preventing diseases
   c. Aids in appearance

Information Sheet
on
Personal Health

There is much more to good health than illness prevention. Good health at the optimum level includes having a bountiful supply of energy, stable nerves, disease resistance, an alert mind, a strong body, and a happy outlook on life. A properly balanced diet, adequate exercise, sufficient rest, and a clean body enable a person to live a longer, healthier, happier life.

A smooth skin, good teeth, glossy hair, and a well-developed physique are the results of a well-balanced diet. Good nutrition is said to be the cornerstone on which physical fitness is built. At one time many people were not aware of the value of proper nutrition, adequate exercise, sufficient rest, and cleanliness; but with the numerous publications in these areas today, everyone should be well-informed.

Although there is a bountiful supply of all foods in the United States, many teenagers are poorly fed. This is primarily due to their eating food having "empty calories" or junk food, food low in body building nutrients. Due to poor nutrition, over 50 percent of the young men issued conscription orders from the Selective Service were rejected because of physical, mental, or moral reasons. Many of this group were rejected for physical reasons. Improper eating habits and eating the wrong kinds of food were the reasons given for the large number being in poor physical condition.

While most people follow the owner's manual in servicing their cars and feed their pets a well-balanced diet, they are not particular about their own diets and general health. In order to determine if a person is receiving his/her daily nutritional requirements, a record should be kept of the daily food intake over a period of about a week. If the diet is not meeting the daily requirements, it should be adjusted to meet them.

The daily diet should contain fats and carbohydrates for energy, proteins for cell building, minerals for bones and teeth, and vitamins for the proper functioning of the vital organs, protection from diseases, and for vim, vigor, and vitality.

The following is a guide to the foods that a person should eat every day:

1. Milk and milk products - at least a pint. Children and teenagers should consume more. The products may include cheese, evaporated or dried milk, or ice cream.
2. Oranges, tomatoes, grapefruit, raw cabbage, or salad greens - A good helping of at least one of these should be eaten daily, as they are rich in vitamins.
3. Green or yellow vegetables - at least one helping. These may be eaten raw or cooked. The deeper the color the better they are.
4. Other vegetables and fruits - in season

Personal Health
(Information Sheet continued)

5. Bread and cereals - These include whole grain products or enriched flour and bread. Enriched means that vitamins and minerals have been added.
6. Meat, poultry, fish, dried beans, peas, or nuts occasionally - These are high in protein, muscle building foods.
7. Eggs - At least three or four should be eaten weekly.
8. Butter and other spreads - These are rich in vitamins and fats.

Students should eat three good meals a day. The habits of skipping breakfast and eating between meals are not conducive to building a strong body. Although many students detest eating in school cafeterias, most of them receive a Federal subsidy and must serve a balanced meal.

As previously stated, sleep and rest are essential for good health. In order for students to feel their best and be alert, they must get a minimum of eight-hours of sleep nightly. Young children will need even more, and a daily rest period for them is desirable. A good time for the rest period is after lunch.

Exercise is essential to vitality and an attractive shapely appearance. Food serves as the body's fuel and is burned daily in work and exercise. Exercise causes the use of body fuels (mostly carbohydrates and fats). Exercise helps prevent the accumulation of fat on the body and helps the body to assimilate and use protein which builds the body by adding form, contour, curves, firm flesh, and muscle tone. Exercise also helps in maintaining the proper body weight.

An Exercise Program

1. Plan and execute a daily exercise program. For teenagers it should be vigorous and stimulating.
2. Take advantage of the physical education course at school.
3. Include out-of-doors exercises such as swimming, bicycling, etc.
4. The exercise program should be considered recreation and include what one enjoys doing.
5. Exercise should be scheduled regularly - at least four days a week.

Cleanliness

Cleanliness is an important part of a good health program and is important in creating a friendly, favorable impression. It is also important in the prevention of disease.

Cleanliness practices that should be initiated are as follows:

1. Take a daily bath. This is important. A good deodorant should be used to remain odor-free during the day.
2. Hair should be shampooed at least once weekly. Also a good hair dressing should be used daily; however, the "greasy look" should be avoided. Hair should be cut regularly.

3. Face and neck should be kept clean.
4. Males should shave daily.
5. Teeth should be brushed at least twice daily.
6. Hands and finger nails should be kept clean. Hands should be washed frequently.
7. Clothes should be kept clean and changed daily or more often.

Physical and Dental Check-Up

The neglect of teeth will cause their replacement with false teeth at a relatively young age. Students and others should have a dental check-up at least every six months.

Everybody should have regular physicals by the family doctor at least annually. If detected early, many diseases can be prevented from becoming acute.

TOPIC: THE EFFECTS OF SMOKING AND DRINKING

OBJECTIVE: To acquaint students with some facts concerning alcohol and tobacco.

REFERENCE: Information Sheet, "The Effects of Smoking and Drinking"

ACTIVITIES:

1. Discuss the facts pertaining to alcohol and tobacco given in the information sheet.
2. Discuss questions.
3. Recommend that students read The Lost Weekend by Charles R. Jackson. This book is easy reading and is about the pitiful plight of an alcoholic.

QUESTIONS AND ANSWERS:

1. Why is it difficult to separate facts from fiction regarding alcohol and tobacco? Because of the advertisements which contain half-truths such as, "I like this brand of cigarettes because they calm my nerves." "Brand X whiskey is not made for boys."

2. Discuss the statement, "Alcohol is a good medicine." Although alcohol is used as a general drug and serves as a carrier for many prescription drugs, its benefits as a medicine are questionable.

3. How does alcohol affect the body? It depresses the central nervous system and affects behavior. Alcohol enters directly into the blood stream and is not digested. The body attempts to rid itself of alcohol by breath, urine, and oxidation. It can cause bodily disorders due to malnutrition and is habit forming.

4. Why do people think that alcohol is a stimulant? Because people appear to be more active. Actually, alcohol depresses the central nervous system.

Transparency No. 1

5. Determine the cost of smoking.

1 pkg. of cigarettes = 70¢

365 days in 1 year
x .70 = cost per day
255.50 = cost per year

255.50
x 40 years
$10,220.00

255.50 = cost per year
x 241.6 = compounding factor for 10% interest for 40 years
61,728.80 = cost plus interest

$61,728.80 = cost plus interest
- 10,220.00 = amount saved or spent on cigarettes in 40 years
$51,508.80 = amount of interest loss through smoking

6. Is drinking a private issue?
No, because it affects all of those associated with the drunkard.

Information Sheet
on
THE EFFECTS OF SMOKING AND DRINKING

Facts Concerning Alcohol

1. The attitudes of people toward drinking alcoholic beverages varies considerably. This is caused by differences in nationalities, languages, social customs, cooking habits, and personal habits.

2. It is difficult to separate facts from fiction regarding alcohol use because of the many false statements.

3. Alcohol is not a prescription drug; therefore, the statement that "alcohol is a medicine" is not true. It is used, however, as a general drug, or as a carrier for drugs.

4. The drinking of alcohol is habit forming.

5. Uncontrolled drinking has an effect on everyone associated with the alcoholic.

6. Wines are made from fermented fruit juices.

7. With the aid of malt barley, beer is made by fermenting cereal grain.

8. Wine and drinking are referred to many times in the Bible.

9. Nations become known for the alcoholic drinks they produce. Germany is known for its beer, England for ale, Russia for vodka, and France for wine.

10. Liquor is made by distilling an alcohol mixture.

11. Puritans frowned on drunkenness but did not oppose drinking. They considered drunkenness immoral because it meant a loss of working time, set a bad example for young people, and was debasing to human dignity.

12. The eighteenth amendment forbade the manufacture and sale of all alcoholic beverages throughout the United States in 1920.

13. The twenty-first amendment which appealed the eighteenth amendment was passed in 1933.

14. All alcohol is not for human consumption. Methyl, butyl, propyl, and others when consumed may cause blindness and even death.

The Effects of Smoking and Drinking
(Information Sheet continued)

15. After alcohol is drunk, it enters the brain, depresses the central nervous system, and alters behavior.

16. Alcohol passes directly through the walls of the stomach into the blood without the aid of digestion.

17. The body tries to rid itself of alcohol through the breath, urine, and oxidation.

18. A minute concentration of alcohol in the system is enough to affect bodily functions and behavior.

19. As little as one-half of one percent concentration of alcohol in the blood can paralyze the nerves that control breathing, thus resulting in death.

20. According to reliable authorities, there is a hazard to safe driving with blood alcohol at .10 percent.

21. Alcohol is not a stimulant; it is a depressant.

22. The reason people seem to be more active when drinking is not because they are stimulated, but because they are exhibiting behavior that is otherwise kept under control.

23. A hangover is a self-inflicted problem brought about by a voluntary act of drinking.

24. Excessive drinking may cause the development of diseases due to a lack of vitamins.

25. Methyl alcohol affects the optic nerve.

26. It has been estimated that 100 million people drink alcoholic beverages.

27. Based on surveys, approximately 35 percent of the population choose not to drink alcoholic beverages.

28. The U.S. Public Health Service considers alcoholism to be public enemy No. 4.

29. Alcoholism is an illness.

30. Alcoholics Anonymous has over 500,000 members today in more than ninety countries, and the number is growing.

31. Drinking alcohol is not a private, personal issue. Drunkenness and alcoholism are parts of a total picture of living.

The Effects of Smoking and Drinking
(Information Sheet continued)

32. Serious consideration should be given to any developing problem, including alcoholism, while they are manageable.

Facts Concerning Tobacco

1. Indians used tobacco as early as 100 A.D.

2. Some Indians used a Y-stick to sniff finely ground tobacco up their noses. The stick was called tobaca by the Indians. Spaniards gave the plant the name tobacco.

3. During pioneer days, women smoked clay pipes, while men smoked pipes and crude cigars called stogies or cheroots. Some of both sexes dipped snuff and chewed tobacco.

4. Cigarette consumption continues to increase world-wide.

5. Most doctors agree that smoking is harmful.

6. Federal statute requires all cigarette advertisements and packages containing cigarettes to contain the statement, "Warning: The Surgeon General has determined that cigarette smoking is dangerous to your health."

7. The American Cancer Society has proven that cigarette smoking shortens one's life.

8. The California Department of Health has determined that heavy cigarette smokers were more likely to be affected by lung cancer.

9. The University of Minnesota has found that those who chew tobacco were more likely to get cancer of the mouth.

10. While cigarette smoking has continued to increase, the number of cases of lung cancer has also increased.

11. Many smokers have a hacking cough.

12. Smoking is also said to injure the eyes.

13. It is possible to get a "tobacco heart" from smoking. (Small arteries and veins around heart become tightened.)

14. Poisons found in tobacco and tobacco smoke are nicotine, formaldehyde, hydrogen sulphide, hydrogen cyanide, carbon monoxide, and arsenic.

The Effects of Smoking and Drinking
(Information Sheet continued)

15. Smoking is expensive.

TOPIC: THE EFFECTS OF NARCOTICS

OBJECTIVE: To familiarize the student with narcotics, their effects, and laws regulating the use of narcotics.

REFERENCE: Information Sheet, "The Effects of Narcotics"

ACTIVITY:

Have students read the information sheet or read it aloud in class before discussing questions.

QUESTIONS AND ANSWERS:

Transparency No. 1

1. What are some drugs that are habit forming?
    a. LSD (lysergic acid diethylamide)
    b. Peyote and Mescaline
    c. Psilocybin
    d. Glues or solvents, benzene, carbon tetrachloride, toluene, ethyl acetate, and ethyl alcohol, gasoline, ether, and cleaning compounds
    e. Amphetamines
    f. Cocaine
    g. Opium
    h. Morphine
    i. Heroin
    j. Barbiturates

2. What group of people are more likely to be seriously or permanently damaged by the use of drugs?
   Emotional misfits, mentally disturbed people, and delinquent people are the most likely.

3. Discuss the dangers of sniffing solvents.
    a. Can cause brain damage
    b. Destroys the liver and kidney tissues
    c. Prevent the manufacture of new blood cells

Transparency No. 2

4. List some pain killing drugs used by physicians.
    a. Cocaine
    b. Novocaine
    c. Procaine
    d. Opium
    e. Morphine
    f. Heroin
    g. Codeine

The Effects of Narcotics
(Questions & Answers continued)

5. Name the uses of barbiturates.
   a. Treating insomnia
   b. Epilepsy
   c. Nervous and mental disorder

6. Why are pill-heads dangerous?
   a. Have impaired judgment
   b. Have slower reaction time
   c. Have lower intellectual level

7. What patients are admitted to the two U.S. Public Health Service hospitals?
   Persons addicted to drugs controlled by federal narcotic laws

8. List the four kinds of laws controlling drugs.
   a. Federal
   b. State
   c. Federal and State
   d. Local

9. Describe the dope peddler.
   He is a clever, scheming, unscrupulous person who is not an addict.

Transparency No. 3

10. List some don'ts concerning drugs and dopes.
    a. Don't start.
    b. Don't take unprescribed drugs.
    c. Don't be persuaded.
    d. Don't experiment for "thrills."
    e. Don't take anything into the body that is harmful, unless prescribed by a physician.
    f. Don't let other people do your thinking or decision making.

Information Sheet
on
THE EFFECTS OF NARCOTICS

The unregulated and irresponsible use of drugs has become a major problem for law-enforcement officials, as well as society as a whole. The large number of insane young people in mental institutions, the increased crime rate, and increases in the number of thefts can be attributed to the problem and are evidence of its seriousness. About one-half of the people taking illegal drugs experience unpleasant emotions and sensations. A large number also experience panic and fear and think they are losing their minds. Many of the users become violent. Users gamble with their health, their sanity, and their lives. The drug user is dangerous to others because drugs impair judgment, reduce reaction time, and lower intellectual level.

It appears that emotional misfits, mentally disturbed, and delinquents are the most likely to be seriously or permanently damaged by the use of drugs. A university dean recently told a group of entering freshmen that if they were stupid enough to use drugs they were too stupid to go to college. The only known benefits from using drugs is that psychiatric researchers believe that the extreme disturbed behavior produced by their use may provide a clue to the possible causes of ordinary mental disorders.

A discussion of several harmful drugs is given below:

LSD (lysergic acid diethylamide) - is a white, tasteless, odorless chemical which is so powerful that an ounce correctly proportioned would provide enough doses for 300,000 people. Users refer to the experience as taking a trip and are called acid heads.

Peyote and Mescaline - come from the dried seed of the dumpling cactus which grows in the deserts of the Southwest United States. They produce hallucinations similar to LSD.

Psilocybin - is produced from a certain variety of Mexican mushroom. It also produces an effect similar to LSD.

Sniffed Solvents - include benzene, carbon tetrachloride, toluene, ethyl acetate, and ethyl alcohol. These are contained in glues and other products. In addition to producing a "high" when sniffed, they can cause damage to the brain, destroy liver and kidney tissues, and prevent the manufacture of new blood cells.

Amphetamines - included in this group are benzedrine, methedrine, and dexedrine. They are referred to as pep pills, bennies, copilots, and other slang names. The drugs in this group were developed to treat people with serious mental disorders. Stimulants are valuable for treating depressed mental patients, while tranquilizers are used to control violent mental patients. The abuse of these drugs can cause the same behavioral pattern as cocaine.

Cocaine - is a white, odorless powder produced from the leaves of the coca bush, which grows primarily in Brazil and Peru. Cocaine is a member of a group of stimulants which tend to prevent sleep and produce excitement in the user. It was first used as a local anesthetic to deaden pain in a part of the body without producing unconsciousness. Novocaine and procaine are harmless byproducts of cocaine which are used principally by dentists as local anesthetics.

Opium - is a dark brown or black, tarry gum obtained from the congealed milky juice of the immature seedpod of the opium poppy. A number of drugs such as morphine, heroin, and codeine are produced from opium.

Taking a small capsule of pure morphine, a very powerful drug, can be fatal. A very small dosage relieves pain; a larger dosage causes sleep. An overdose can produce unconsciousness as well as death. All of these drugs should be taken only on the order of a physician.

Heroin - is a white crystalline powder which is produced from morphine. Heroin is produced in many parts of the world. It is produced legally in some countries, but that which is sold to addicts in the U.S. is smuggled in.

Barbiturates - are manufactured from chemicals and were intended to be used as sedatives for treating insomnia, epilepsy, and nervous and mental disorders. They are available in several forms--white powders, tablets, and capsules--and are known as goofballs. Because of the colors of the capsule form, addicts refer to them as Christmas trees, pink ladies, blue angels, yellow jackets, red birds, and red devils.

There are many barbiturates on the market, and new ones continue to be introduced. These drugs are safe when taken in the dosage prescribed by doctors. Larger doses may cause intoxication, incoordination, mental confusion, and emotional instability. Barbiturate intoxication accounts for 25 percent of all acute poisoning cases admitted to hospitals.

Sedative - is a drug which relieves pain and anxiety, produces mental and physical relaxation, and usually produces sleep. An overdose could cause stupor, coma, or death. People can become addicted to them. Addiction causes suffering, misery, and sorrow.

In an attempt to control illegal use of drugs, many states and the Federal government have passed laws to control their use, negotiated treaties with several countries to control imports and exports and production of plants from which the drugs are manufactured, and stiff penalities have been given to convicted illegal pushers and smugglers.

However, it appears these have had little effect on illegal drug traffic.

The drug peddler is an unscrupulous person who capitalizes on the misery of others. His/her biggest assets are the addicting powers of the drugs sold and the constant fear the addict has of the illness produced from withdrawal. Once addicted, the user is at the mercy of the peddler. The word, mercy, is not in the peddler's vocabulary; he/she is only interested in fast and so-called easy money.

People addicted to drugs can be cured, but few can afford to stay in a hospital long enough to become completely cured. The best way to prevent addiction is to not use an illegal drug the first time. Will power and self-discipline are necessary to resist the temptation to experiment with drugs. Also, many young people must resist the persuasion of so-called friends. Each individual, however, is responsible for his/her decisions and actions. Friends do not share a part of the addict's misery and suffering. If friendship is based on the illegal use of drugs, a person should develop new friendships.

TOPIC: METHODS OF DOING BUSINESS (Proprietorships, Partnerships, Corporations, and Cooperatives)

OBJECTIVE: To lead students to understand how businesses are operated by the different methods.

REFERENCE: Information Sheet, "Methods of Doing Business"

ACTIVITY:

Read information sheet aloud in class and lead students in a discussion of questions.

QUESTIONS AND ANSWERS:

1. What are the two main categories into which businesses in the United States may be divided?
    a. Governmental
    b. Private or non-governmental

2. What is the reason for the government in the U.S. to operate businesses? To enhance the public welfare.

3. List the four basic types of business organizations.
    a. Individually-owned (proprietorships)
    b. Partnerships
    c. Corporations
    d. Cooperatives

Transparency No. 1

4. List advantages of a proprietorship business.
    a. The owner is his/her own boss;
    b. All profits are received by owner;
    c. Decisions can be made quickly;
    d. Less red tape is involved;
    e. Individual talents and initiative are personally rewarded;
    f. The incentive to achieve is motivated by direct compensation; and
    g. A proprietorship is easier to establish, as it is not necessary to pay incorporation fees or adopt by-laws.

5. List disadvantages of a proprietorship.
    a. Available capital is limited to the amount the owner has or can borrow;
    b. Most proprietorships have a smaller volume due to lack of capital, management ability, etc;
    c. Loss and risk are borne by one individual;
    d. Business debt is an unlimited liability of the owner;

   e. Success is directly related to the business ability of the owner; and
   f. Unless otherwise provided for, the business ceases with the death of the owner.

6. Who establishes business policies of a partnership?
The partners

7. How are losses and earnings divided in a partnership?
According to each partner's percentage of ownership

Transparency No. 2

8. List the advantages of a partnership.
   a. Management skills and abilities are pooled;
   b. Capital resources are increased;
   c. Credit position is improved;
   d. Less tax burden than a corporation;
   e. Each partner contributes to business; and
   f. There is an increased concern in management.

9. List disadvantages of a partnership.
   a. Each partner is personally liable for all debts of the business and business commitments mady by any partner;
   b. There is a possibility of disagreement among partners;
   c. It is difficult to withdraw from a partnership;
   d. A partnership ends with death or withdrawal of partner; and
   e. There is the possibility of an unsatisfactory division of profits.

10. What is a corporation?
A business formed under the authority obtained from a state. It is treated as an artificial person separate and apart from its owners.

Transparency No. 3

11. List the information that must be included in the certificate of incorporation.
   a. A certificate of corporation is filed; (The title or name of corporation must include "Inc.," or the word "incorporated" or "limited.");
   b. Purpose of corporation;
   c. Life of corporation;
   d. Amount of authorized capital;
   e. Names of at least three directors; and
   f. Address of corporation.

Transparency No. 4

12. List advantages of incorporating a business.
    a. Stockholders have limited liability;
    b. The corporation can continue indefinitely unless it purposefully dissolves or was incorporated for a specific number of years;
    c. Investment in a corporation through the purchase of shares of stock is easy for both large and small investors;
    d. It is relatively easy to transfer ownership rights through the sale of stock;
    e. Corporation's ability to borrow money is generally greater than any of its owners, thus greater business activity may be undertaken;
    f. Capital can be generated for business growth and expansion; and
    g. There is an opportunity for expert management and large scale economies.

13. List the disadvantages of incorporating a business.
    a. Each stockholder has limited and oftentimes very little, if any, control of the business;
    b. Many corporations are impersonal, cold, and without feeling;
    c. There are costs involved in forming a corporation, keeping stockholders informed, and distributing dividends; and
    d. Corporate taxes are higher than individual taxes.

14. How are corporation board of directors elected?
    By the stockholders

Transparency No. 5

15. List the two kinds of corporations.
    a. Pseudo, or closed, or family type corporation (subchapter S corporation)
    b. Public or open corporation (subchapter C corporation)

Transparency No. 6

16. What is a cooperative?
    A business voluntarily owned and controlled by its member patrons and operated for and by them on a cost basis.

17. What is the primary goal of a cooperative?
    To meet members' needs in an economical, efficient manner.

Transparency No. 7

18. List the four basic principles under which cooperatives operate.
    a. Open membership - anyone needing the service offered and can accept the responsibility is generally permitted to become a member;
    b. Democratic control - the person, rather than the investment, is the basis for voting;
    c. Limited returns on shared capital - The objective is to provide goods and services and not large returns on invested capital; and
    d. Net savings returned to members in proportion to their patronage - surplus and savings, if any, are distributed in such a manner as to avoid one member gaining at the expense of others.

Information Sheet
on
METHODS OF DOING BUSINESS

The methods of doing business in the United States may be divided into two major categories: (1) governmental, and (2) private or non-governmental. In the United States, few businesses are owned and operated by the government; and those that are government operated are done so to enhance the public welfare. Generally, the businesses operated by the government are for the following purposes:

(1) To control the business;
(2) To operate what is best done as a monopoly (Examples are basic services such as power, lights, water, transportation, and other utilities.);
(3) To carry out government policies (such as purchasing and storing farm products to support prices); and
(4) To provide a greatly needed service (such as the postal service).

In contrast to the free enterprise system practiced in the U.S., some countries, such as Russia and other communist countries, own and operate most of the businesses in their countries.

All non-government operated businesses may be classified as private businesses. There are four basic types of business organizations in our free enterprise system: (1) Individually-owned business (proprietorships), (2) Partnerships (two or more persons), (3) Corporations, and (4) Cooperatives.

Individually-Owned Business

An individually-owned business is owned by one person who controls the operation, assumes the risk of ownership, keeps all the profits, and bears any and all losses. The owner is personally responsible for the investment in the business, the actions of the firm, and growth and expansion of the company. The advantages of individual ownership are as follows:

1. The owner is his/her own boss;
2. All profits are received by owner;
3. Decisions can be made quickly;
4. Less red tape is involved in this type of business;
5. Individual talents and initiative are personally rewarded;
6. The incentive to achieve is motivated by direct compensation; and
7. An individually-owned business is easier to establish, as it is not necessary to pay incorporation fees or to adopt by-laws.

There are also disadvantages of this type of business. Some are as follows:

1. Available capital is limited to the amount the owner has or can borrow;
2. Most businesses of this type have a smaller volume due to lack of capital, management ability, etc.

3. Loss and risk are borne by one individual;
4. Business debt is an unlimited liability of the owner;
5. Success is directly related to the business abilities of the owner; and
6. Unless otherwise provided for, the business ceases with the death of the owner.

Partnerships

A partnership is formed when two or more people mutually agree to own and operate a business jointly without the formality of incorporating. Each person entering the agreement is a partner but not necessarily on an equal basis. Together they pool their resources, borrow on the assets of all the partners, share in the decision-making process, and collectively assume the debts. Earnings and losses are divided according to each partner's percentage of ownership.

The advantages of a partnership are as follows:

1. Management skills and abilities are pooled;
2. Capital sources are increased;
3. Credit position is improved;
4. Less tax burden than a corporation;
5. Each partner contributes to business; and
6. There is an increased concern in management.

Disadvantages of a partnership are as follows:

1. Each partner is personally liable for all debts of the business and business commitments made by any partner;
2. There is a possibility of disagreement among partners;
3. It is difficult to withdraw from a partnership;
4. A partnership ends with death or withdrawal of partner; and
5. There is the possibility of an unsatisfactory division of profits.

Corporations

A corporation is an organization formed under the authority obtained from a state and is treated by law as an artificial person separate and apart from its owners. This is a unique feature of a corporate organization. Corporate owners hold shares of common voting stock. There are, however, non-stock corporations where common shares of stock are not issued. Owners instead generally pay a membership fee. Corporations are usually regulated by the laws of the state where the principal or home office of the organization is located.

To form a corporation, a certificate of corporation, signed by three persons one of whom is a resident of the state, is filed with the state government. The certificate contains various kinds of information, which includes the following:

1. Name of company. (The name must have "Inc.," or the word "Incorporated" or "limited" in title);
2. Purpose of corporation;
3. Life of corporation;
4. Amount of authorized capital;
5. Names of at least three directors; and
6. Address of corporation.

There are several advantages to incorporating a business:

1. Stockholders have limited legal liability. (In the event of losses or bankruptcy each stockholder can lose only the amount invested in the stocks held.);
2. The corporation can continue indefinitely unless it purposefully dissolves or was incorporated for a specific number of years. (The death of a stockholder or the sale of stock does not terminate the corporation.);
3. Investment in a corporation through the purchase of shares of stock is easy for both large and small investors, since share values can be kept low enough to attract a large number of investors. (The savings of many people can be pooled for use in the business.);
4. Transfer of ownership rights through the sale of stock is relatively easy;
5. Since the corporation is separate and distinct from any of its stockholders, its ability to borrow money is generally greater than that of any of its owners--thus greater business activity may be undertaken;
6. A corporation operating profitably can generate capital for business growth and expansion; and;
7. It provides opportunity for expert management and large scale economies.

There are also disadvantages of incorporating a business:

1. Each stockholder has limited and oftentimes very little, if any, control of the business. (Voting is based on the number of shares of stock held by the individual. Proxy voting, the authorized voting of the shares of several individuals by one stockholder, and cumulative voting, the holder does not vote on certain issues but is permitted to cast correspondingly more votes on another issue, may give more control to some stockholders than to others.);
2. Many corporations are impersonal, cold, and without feeling. (Directors and stockholders frequently condone actions in the name of a corporation which would never be permitted if identified with any particular person.);
3. There are costs involved in forming a corporation, keeping stockholders informed, and distributing dividends;
4. Corporate taxes are much higher than individual taxes. (Profits are subject to double taxation. Taxes are paid at the corporate level and dividends ex-

ceeding a small amount established by Internal Revenue Service are taxed.)

A corporation is operated and policies are determined by an elected board of directors. Corporate officers, such as president, secretary, and treasurer, are employed by the board of directors. Directors are elected by the stockholders.

There are two kinds of corporations: (1) Pseudo, or closed or family type corporation (This type is sometimes called a subchapter S corporation) and (2) public or open corporation (also referred to as a subchapter C corporation.) Although most cooperatives are incorporated, they are patron-oriented and are not one of the above types of corporations.

Cooperatives

A cooperative is a business voluntarily owned and controlled by its member patrons and operated for them and by them on a cost basis. In other words, it is a business owned by the people who use it. It is organized and incorporated to engage in economic activities with certain ideals of democracy, social consciousness, and human relations. A cooperative provides services and benefits for its members in proportion to the use they make of their organization, rather than earning profits for the shareholders as investors.

A cooperative is part of our free enterprise, competitive, capitalistic system and is not a welfare agency or a charitable and benevolent society. It depends upon earned income from rendering services to meet expenses rather than donations, governmental handouts, or support from philanthropic organizations. Service, paid for by member patrons, is the cooperative's purpose for existing.

The primary goal of a cooperative is to meet members' needs in an economical, efficient manner, while the principal goal of an investor-oriented corporation, partnership, and sole proprietorship is to maximize profits for the owners of the business.

Cooperatives operate under four basic principles. When one or more of the principles is not observed, the association ceases to be a true cooperative in the strictest tradition.

The first principle is open membership. Anyone needing the services offered and who can accept the responsibility of membership is generally permitted to become a member of a cooperative. Membership may be through the purchase of a share of stock or, in the case of a non-stock cooperative, a membership certificate. After being accepted as a member, a person can then participate in the ownership and control of the business through voting the share.

The second principle is democratic control. The person, rather than the investment, is the basis for voting. Members of local cooperative associations enjoy equal rights of voting, one member one vote.

Limited returns on shared capital is the third principle. The objective is to provide goods and services, and not large returns on invested capital.

The fourth principle, net savings is to be returned to members in proportion to their patronage, is the most important principle in terms of distinguishing cooperatives from other forms of businesses. Surplus or savings, if any, arising out of the operations of a cooperative belong to the members and should be distributed in such a manner as to avoid one member gaining at the expense of others.

TOPIC: BUSINESS RECORDS

OBJECTIVE: To develop an understanding of the importance of accurate business records and of the kinds of records it is necessary for businesses to keep.

REFERENCE: Information Sheet, "Business Records." Topic 80 contains business record forms and accounts.

ACTIVITY:

Review information sheet and discuss questions in class.

QUESTIONS AND ANSWERS:

Transparency No. 1

1. List reasons why accurate records are important to the management of a business.
   a. To determine amount of operational money required during certain periods of the year (cash flow);
   b. To determine stocking levels of different items;
   c. To determine selection of lines (kinds and types of merchandise to carry or stock as inventory;
   d. To determine labor requirements;
   e. To determine space requirements for different lines;
   f. To determine method of depreciation to use;
   g. To determine useful life of capital items;
   h. To satisfy legal requirements;
   i. For preparation of federal and state tax returns;
   j. In making management decisions; and
   k. To provide information for stockholders, directors, and officers.

Transparency No. 2

2. What is the purpose of an operating statement?
   To show profits or losses

Transparency No. 3a and 3b

3. How does a balance sheet differ from an operating statement?
   The balance sheet is a list of assets and liabilities and shows the net worth of a business. The operating statement summarizes the receipts and expenses for a given period of time and shows the profit or loss for that period.

4. Where are the figures used in the operating statement and balance sheet secured?
   These are secured from the daily records, such as sales, invoices of

purchases, and other records.

5. Why is it necessary to balance the cash registers daily?
   To make sure the sales and collection of taxes are accurate.

6. Is the purchase price of purchased merchandise the total cost of the merchandise? Why?
   No. Because transportation and other items of expense are part of the actual cost of the merchandise.

Information Sheet
on
BUSINESS RECORDS

An accurate record system is essential for the efficient management and operation of a business. While some businesses keep only the records necessary for reporting taxes, a more comprehensive system is necessary for an efficient, well-managed operation. The system must be simple enough for certain employees and management to understand but have enough detail to provide the information needed to make good management decisions.

Some management decisions that may be based on information provided by a good record system are as follows:

1. Amount of operational money required during certain periods of the year (cash flow);
2. Stocking levels of different items;
3. Selection of lines (kinds and types of merchandise to carry or stock as inventory);
4. Labor requirements;
5. Space requirements for different lines;
6. Method of depreciation to use;
7. Useful life of capital items.
8. To satisfy legal requirements;
9. For preparation of federal and state tax returns;
10. In making management decisions; and
11. To provide information for stockholders, directors, and officers.

The kinds of records kept will vary according to the desires of management, but some of the same kinds of records should be kept for all businesses. The records needed to complete a profit and loss statement, also called a statement of operation and operating statement, are examples of those that should be kept by all businesses. The statement of operation summarizes the receipts and expenses for a given period of time and shows the profits or loss for that period. This statement may be prepared monthly, quarterly, biannually, or annually. Many businesses make an operation statement for each department in order to determine profits or losses from each.

SAMPLE STATEMENT OF OPERATION
For Year Ending December 31, 1981

SALES	$1,562,702.44
Less Cost of Commodities Sold	1,478,914.33
Gross Selling Margin	$ 83,788.41

OTHER REVENUE		
Grinding, Cleaning, etc.	$ 8,701.31	
Storage and Handling	10,893.03	
Dividends, Patronage Refunds, etc.	665.41	
TOTAL		$ 20,259.75
GROSS MARGIN		104,048.16
EXPENSES		
Salaries and Wages	$40,247.18	
Heat, Power, and Water	4,597.79	
Plant Repairs & Maintenance	3.737.88	
Insurance	3,942.74	
Interest	31.70	
Telephone	728.43	
Taxes	7,417.40	
Advertising	1,787.00	
Depreciation	12,116.40	
All other expenses	3,710.15	
TOTAL		$ 78,316.67
NET MARGIN		25,731.49
DISTRIBUTION OF NET MARGIN		
Provision for Dividend on Capital Stock -- 4%	$ 2,272.00	
Patronage Refund to Stockholders -- 2 & 1½%	21,680.17	
Provision for Federal Income Tax	254.64	
Balance of Net Margin Retained	1,524.68	
TOTAL	$25,731.49	

Another standard record used by businesses is the balance sheet, which shows the financial condition of a business at a given time. Generally the balance sheet is made for the last day of the period covered by the operating statement. The balance sheet includes a list of assets, liabilities, and the net worth of the business. The liabilities and net worth reveal the methods of obtaining capital for the business. The sum of the liabilities and net worth must show the same balance as the assets at any given time.

Business Records
(Information Sheet continued)

SAMPLE BALANCE SHEET, DECEMBER 31, 1981
ASSETS

CURRENT ASSETS		
Cash on hand and in bank		$ 28,173.70
Accounts Receivable -- Patrons	$26,060.54	
Less Allowance for Doubtful Accounts	2,302.20	23,758.34
Accounts Receivable -- Grain Firms		3,787.41
Inventories		42,016.76
Prepaid Items		6,319.38
TOTAL CURRENT ASSETS		$104,055.59

INVESTMENTS	
Stocks, Bonds, and Credits in Other Companies	10,667.15

PLANT AND EQUIPMENT	Cost	Accumulated Depreciation	Net
Land	$ 2,326.39	$..........	$ 2,326.39
Buildings	245,749.02	87,007.97	158,741.05
Machinery and Equipment	73,488.70	39,452.33	34,036.37
Furniture and Fixtures	4,538.78	3,921.09	617.69
TOTAL	$326,102.89	$130,381.39	$195,721.50

Total Plant and Equipment -- NET $195,721.50

TOTAL ASSETS $310,444.24

LIABILITIES

CURRENT LIABILITIES		
Accounts Payable -- Trade & Others	$ 15,649.42	
Federal Income Tax Payable	254.64	
Dividends Payable on Capital Stock	2,272.00	
Patronage Refunds Payable for Year 1981	21,624.51	
Employees' Taxes Withheld	554.72	
Accrued Salaries, Property & Payroll Taxes	8,522.75	
TOTAL CURRENT LIABILITIES		$ 48,878.02

Business Records
(Information Sheet continued)

STOCKHOLDERS' EQUITY

Capital Stock Authorized, 750 Shares Par Value $100.00, 641½ shares issued including 73½ shares of Treasury Stock Outstanding. 568 Shares	$ 56,800.00
Additional Paid-In Capital	4,132.00
Retained Earnings	200,634.20
TOTAL STOCKHOLDERS' EQUITY	$261,566.20
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	$310,444.24

The operating statement and balance sheet make up the financial reports for a business; however, other records must be kept in order to complete these reports.

One such record is cash and credit sales and sales tax collections. These are normally kept daily, and totals for each are determined monthly. In addition to using these figures in making the operating statement and balance sheets, they are particularly important in determining volume of business and in making comparisons of previous monthly and yearly sales. The cash registers must be balanced daily to be sure that all cash is accounted for and the receipts are accurate. A daily record of sales taxes collected is also important. This can usually be obtained from cash register tapes; however, taxes collected for credit sales might have to be calculated in a different manner.

Records must also be kept of merchandise purchases. Periodic records of inventory must be made to determine the financial condition of the business and also for determining merchandise sales.

In addition to the above, records must be kept of payroll, payroll deductions (income taxes, social security, and possibly insurance), property taxes, advertising, interest, depreciation, and legal expenses.

TOPIC: BUSINESS FORMS

OBJECTIVE: To develop an understanding of the forms used in businesses when selling, ordering, and receiving merchandise.

REFERENCE: Information Sheet, "Business Forms"

ACTIVITIES:

1. Review questions with students.
2. Have students complete a purchase order and invoice form.

QUESTIONS AND ANSWERS:

Transparency No. 1

1. Make copies of purchase order and have students complete a purchase order. Activity.

2. What is the purpose of a purchase order?
To have a written record of quantity and prices of merchandise ordered and to serve as a check against invoice, bill of lading, and goods actually received.

Transparency No. 2

3. What is usually included in a receiving record?
Merchandise received, quantity, and condition of merchandise

Transparency No. 3

4. What is an invoice?
An invoice is a bill or statement which shows the quantity and price of each item and total cost of merchandise shipped and/or received. Normally there is a statement on invoice which specifies the date in which payment is due, the amount of discount, if any, and the amount of interest charged if statement is paid after due date.

5. List the two ways in which freight charges are paid.
   a. Prepaid (F.O.B., Free on Board) - paid by shipper at point of origination
   b. C.O.D. - paid by receiver when merchandise is delivered

6. Ask students to explain how merchandise is ordered and received at the businesses in which they are being trained.

Transparency No. 4

7. What is a sales ticket used for?
To record cash and credit sales.

Information Sheet
on
BUSINESS FORMS

Several types of forms are printed and are available for every business purpose, and the types shown are only examples. It will be necessary for the manager of the business to select the one that best suits his/her needs.

The sales ticket is used by many businesses for both cash and credit sales. These are usually printed in duplicate or triplicate. The purchaser is given one copy, and the business keeps one, two, or more copies. Some sales tickets have a statement which specifies interest payments for overdue accounts. Sales tax and discounts are shown on the ticket. Also, it should be noticed that in the example the sales ticket is numbered. It is fairly simple to calculate daily and monthly sales of a business when these tickets are used. These tickets may also be used to maintain the inventory. After establishing a stocking level of an item the number remaining in inventory can be validated monthly and if necessary more stock can be ordered.

Another form used by some businesses is the purchase order. These are normally used when orders are mailed. When ordering through a salesperson, a copy of the order serves as a purchase order. The manager of the business normally assigns the responsibility of ordering merchandise to specific employees. Duplicate records of purchase orders are kept in order to check the merchandise when it arrives. The bill of lading and invoice are also checked and should correspond to the purchase order.

The receiving record is completed when merchandise is received and includes a notation of the condition of the merchandise. Instead of using a receiving record, many businesses use the packing slip for this purpose.

The form used by carriers is called a bill of lading, which is a record of the number of containers and total weight in a shipment. As the shipment is unloaded, an employee should check the number of boxes or containers, and the number should correspond to the number on the bill of lading.

Commercial carriers, such as railroads and trucking companies, charge for hauling products from the point of origination to the delivery point. Prior to placing an order, an agreement should be made as to who pays the delivery or freight charges, the shipper or the receiver. Freight may be prepaid (F.O.B.) or sent (C.O.D.)

After the merchandise is shipped, an invoice is mailed to the receiving firm. An invoice is a bill or statement which lists the quantity, description of merchandise, and charges for the merchandise. The payment for goods is made from the invoice. After receiving the invoice, it is checked against the purchase order, receiving record, and bill of lading. Most businesses have an established policy as to the checking of invoices. It is not unusual for discount terms to appear on an invoice. Many firms allow a small discount if

Business Forms
(Information Sheet continued)

the invoice is paid by a designated period of time. Likewise, the invoice may contain a statement as to additional charges (interest) if invoice is not paid on or by a specified date.

TOPIC: STOCKING, RECEIVING, AND STORING MERCHANDISE

OBJECTIVE: To develop an understanding of the steps involved in receiving and storing merchandise.

REFERENCE: Information Sheet, "Stocking, Receiving, and Storing Merchandise"

ACTIVITY:

Review information sheet and conduct a class discussion using the questions.

QUESTIONS AND ANSWERS:

1. When should damage be noted when unloading merchandise upon its receipt?
   As unloading is proceeding

2. How should damage be noted?
   On the receiving form and in other ways used by the firm

3. How are "shortages" checked?
   By exact count or by weight

4. When should the quality of merchandise be checked?
   As soon as possible after its arrival

5. Have students secure one of the receiving forms used in the firm in which they work and bring it to class.
   Activity

Information Sheet
on
STOCKING, RECEIVING, AND STORING MERCHANDISE

One of the most important functions of any agricultural business is the receipt and storing of merchandise. To properly receive merchandise, whether it be feed, fertilizer, chemicals, or miscellaneous merchandise, several steps must be followed:

1. A definite plan must be used in unloading, moving, and storing items. This involves consideration of who does the work, how various types of merchandise must be handled (by hand, fork lift, etc.), and how and where it is to be stored.
2. Damage or breakage must be determined as the unloading proceeds. Both damage and breakage must be noted on the receiving form. Damaged merchandise must be destroyed, returned, or kept and sold at a reduced price. The person in charge should determine, at the time of unloading, whether there is any shortage.
3. The possibility of shortage must always be checked by exact count or weight at the time of receiving the merchandise. The quantity of goods received must always agree with the goods signed for on the bill of lading or other shipment record.
4. Policies vary on checking goods against the invoice to check against substitutions. Invoices may be with the goods or they may arrive before the goods. The person checking the shipment should be sure that the merchandise received is in accord with the purchase order before signing the delivery slip. Many businesses will use a duplicate copy of their purchase order to check against merchandise received.
5. The quality of the merchandise, insofar as it can be determined by visual examination or by approved testing procedures, should be checked at the time of arrival. Quality must be checked against what was ordered to make sure it meets the standards specified in the order.
6. The employee who receives the merchandise will usually sign for it. He will also complete a receiving report for his business. Note on the receiving report form the fact that accurate count, condition of merchandise, description of merchandise, as well as other pertinent facts, are listed.

TOPIC: DETERMINING SELLING PRICE

OBJECTIVE: To develop an understanding of the factors that enter into the determination of the selling price of merchandise.

REFERENCE: Information Sheet, "Determining Selling Price"

ACTIVITY:

Review information sheet and conduct a class discussion using the questions.

QUESTIONS AND ANSWERS:

Transparency No. 1

1. What must the selling price of an article include.
   a. Original cost
   b. Merchandising costs
   c. Overhead
   d. Profit

Transparency No. 2

2. Which five of the "overhead" cost items listed in the information sheet will remain almost the same from year to year?
   a. Interest on investment
   b. Insurance
   c. Warehousing
   d. Taxes
   e. Office and accounting expenses

3. Which three of the overhead items will fluctuate most widely?
   a. Prices
   b. Theft
   c. Damage

4. When overhead costs vary little or not at all, what are they called?
   Fixed costs

5. Why is an increase in volume of business usually advantageous to the firm?
   Fixed expenses will increase little with increased volume; variable costs will increase more, but opportunities for total profits become greater.

6. What is "markup"?
   The amount that is added to the cost to arrive at the selling price

Determining Selling Price
(Questions & Answers continued)

7. A merchant buys an item delivered to his/her store for \$10.00. He/she prices it at \$13.00.
   a. What is the markup?
      \$3.00
   b. What is the percent markup?
      30% (\$3.00 + 10.00 = 30%)
   c. What is the gross margin?
      $\frac{3.00}{13.00} = .23$ or 23%

Information Sheet
on
DETERMINING SELLING PRICE

Determining the selling price of merchandise is a very important part of managing a business. To remain in operation, a merchant must know the cost of doing business and set prices to allow a reasonable profit. Although the average employees will not be the persons who establish prices, they should have an idea as to how prices are determined. This will enable them to have a better answer to the question of customers who ask, "Why is the price so high?"

Actually, the profit part of the selling price is only a small part of the total selling price, as is illustrated by the following graph:

4% PROFIT	14% OVERHEAD	82% WHOLESALE AND FREIGHT

Many people are not aware that a large part of the selling price represents the cost of merchandise, and that there are freight charges which are usually paid by the merchant. In addition the merchant has a number of other expenses in stocking an inventory to meet the demands of customers. The selling price must include all of the expenses, called overhead, and a reasonable profit.

Some of these expenses may be as follows:

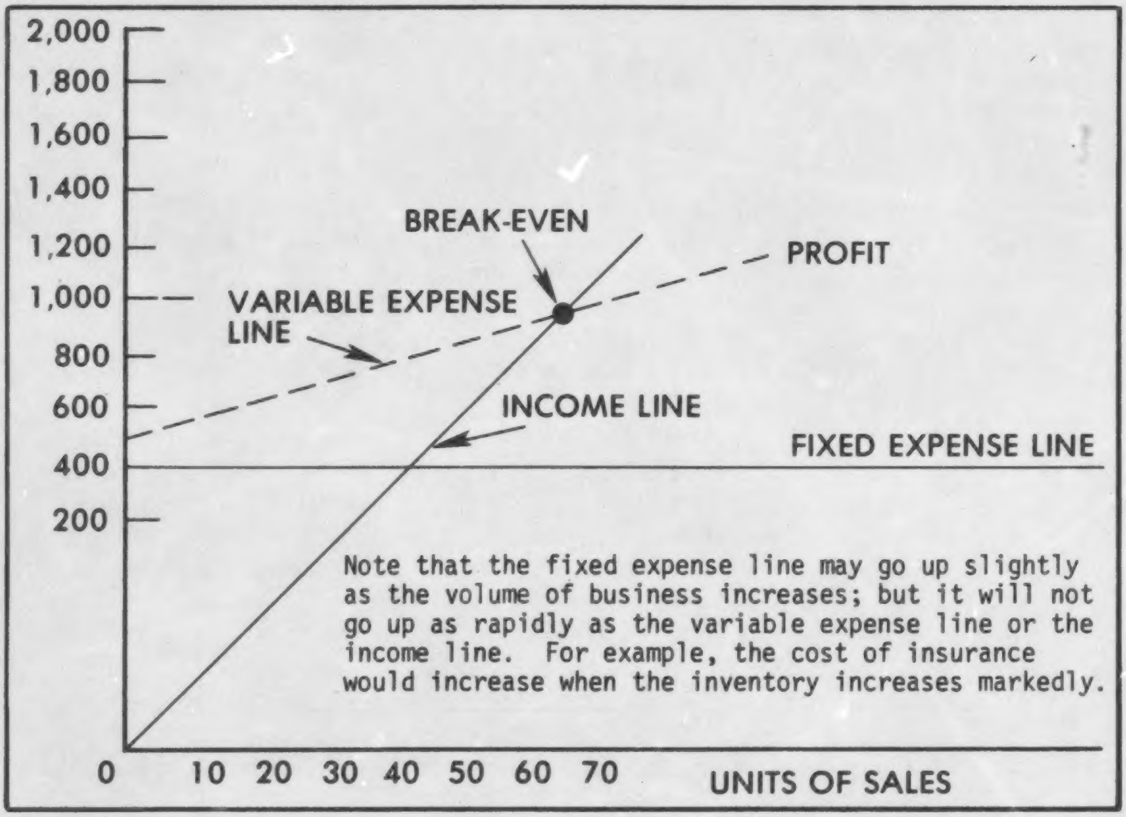
1. Some of the merchandise may become obsolete before it is sold. This is particularly true of slow selling items.
2. The price of the merchandise may drop before the stock is sold out. Often the price of a new product is higher when it is first introduced. After the product has been on the market for a while there is a greater supply, and the unit cost is less.
3. It may be necessary to pay interest on a part of the inventory. Most wholesalers allow from 20 to 30 days interest free on an open account. After this period, interest must be paid.
4. The inventory must be insured. This is an overhead expense.
5. Warehouse storage has to be charged to the inventory. In order to carry a sufficient stock, some items usually have to be stored.
6. Damaged and handled merchandise often have to be sold at a discount, and there may be some losses from breakage and spoilage.
7. There is always a possibility of theft losses. Materials stored outside are subject to a greater chance of theft.
8. Wages, salaries, and fringe benefits are expenses that must be included in the cost of doing business.
9. Taxes must be considered in operating a business.
10. Office and accounting expenses.

The expenses required to operate a business may be classified into two groups, fixed costs (insurance, interest, taxes, utilities, etc.) and variable costs (merchandise, containers, packaging materials, salaries, etc.). The fixed costs will remain fairly constant and are affected very little by volume of business, while variable costs will change according to volume of business. The fixed costs are often calculated per $1,000 of inventory.

The expense of maintaining an inventory will vary among businesses. Some will require as little as 10 percent of the inventory value, while others will require more. Some firms provide free services, such as mixing and spreading fertilizer. These increase the cost of doing business.

A graph is used to illustrate the need to increase volume of business in order to cover both fixed and variable expenses and make a profit.

BREAK-EVEN CHART



Note that the fixed expense line may go up slightly as the volume of business increases; but it will not go up as rapidly as the variable expense line or the income line. For example, the cost of insurance would increase when the inventory increases markedly.

Determining Selling Price
(Information Sheet continued)

The selling price of a product must be high enough to cover the costs of overhead, cost of item, service costs, and allow a reasonable profit. Two terms are used by merchants to indicate the difference between cost and selling price of an item. These are (1) markup and (2) gross margin. An explanation of each is given.

Markup

This is the amount added to the total cost of an item to determine or get the selling price. The overhead cost and profit are combined to get the markup. Stated as a percentage, the markup is the relationship of the amount of markup to the cost.

Example: Cost + Markup = Selling Price
20 + 5 = $25

The above markup is 25% of the cost.

Merchant purchases Sevin vegetable dust	$1.00
Merchant's selling price	1.25
Cash markup	.25

Percent markup $\left[\frac{\text{cash markup}}{\text{purchase price}} = \frac{.25}{1.00} = .25 \text{ or } 25\%\right.$

Gross Margin

The gross margin is calculated on selling price and is determined by dividing the markup by the selling price.

Example:

Merchant purchases Sevin vegetable dust	$1.00
Merchant's selling price	1.25
Cash markup	.25

Percent gross margin $\left[\frac{\text{cash markup}}{\text{selling price}} = \frac{.25}{1.25} = .20 \text{ or } 20\%\right.$

Markup and gross margin are often confused since they are always the same in dollars and cents, but they are never the same percentage. An example of the two are given below:

	Percent Gross Margin	Percent Markup
Fertilizer	12.0%	13.6%
Grain	6.0%	6.4%
Hardware items	33.3%	50.0%
Commercial mixed feed	18.0%	22.0%

A rule of thumb that may be used to determine gross margin is as follows. In order to make a large enough profit to remain in business, the number of times the inventory of an item is sold during the year times the gross margin should equal to 100.

Assume the inventory of the vegetable dust used in the above example is sold five times during the year.

$$5 \times X \text{ (gross margin)} = 100$$
$$5X = 100$$
$$X = 20\% \text{ gross margin}$$

The suggested turnover goals (sales of inventory) for one business are as follows:

Feed	15
Fence	4
Paint	4
Hardware	3
Machinery	4
Seed	8-10
Oil & grease	4
Tires & tubes	4
Miscellaneous merchandise	4
Farm equipment	3
Building material	4
Electrical merchandise	4
Farm supplies, general	4

TOPIC: MERCHANDISE PLANNING

OBJECTIVE: To develop an understanding of the importance of and methods used to determine stocking levels and merchandising.

REFERENCE: Information Sheet, "Merchandise Planning"

ACTIVITY:

Review information sheet and lead a class discussion of questions.

QUESTIONS AND ANSWERS:

1. List the decisions that are encountered when ordering merchandise.
    - a. What items to purchase
    - b. Time of purchase
    - c. How to buy
    - d. Quantity to purchase
    - e. Determining selling price

2. Explain the statement, "The merchant is a purchasing agent."
   In reality, the merchant is a purchasing agent. If the business is to be a success, the merchant must purchase and stock items desired by the customers.

3. List customer information that is important to the merchant.
    - a. How they live
    - b. Habits
    - c. Income
    - d. Mores

4. Why should merchants cater to the people living in the immediate trade area?
   Because these people will make up a large percentage of the customers.

5. List ways in which a merchant may determine customer needs and desires.
    - a. Observing customer purchases
    - b. Having a knowledge of general economic conditions
    - c. Conducting surveys
    - d. Making a comparison of items sold by competitors
    - e. Keeping informed through trade journals
    - f. Evaluating past sales

6. Why is it difficult to determine the stocking level of fad items?
   It is difficult to be able to determine how long the items will be in demand.

7. Why is it usually a mistake to accept delivery of items out of season?
   This requires operating capital that can be used in other areas of the business and requires storage space.

8. How can a merchant determine the time of purchase?
    - a. Consumer surveys
    - b. Maintaining a current knowledge of customer needs
    - c. Observe competition (advertisements, displays, and entering competitor's store)
    - d. From sales representatives
    - e. From brokers
    - f. Trade publications

9. What is meant by the terms C.O.D. and F.O.B.?
   C.O.D. means cash on delivery. This may include paying for both freight charges and merchandise, or just merchandise.
   F.O.B. indicates free delivery, but this term has two meanings: F.O.B. shipping point and F.O.B. destination. F.O.B. shipping point means the seller pays to deliver the goods from his/her business to the shipping point, which is usually a terminal in the town in which the business is located. F.O.B. destination means the merchandise is shipped to the buyer's community free and is paid by the seller. However, the buyer might have to pay for delivery from the freight terminal in the community in which the business is located to the place of business. If shipped by truck, there is usually no charge for merchandise shipped F.O.B. destination.

10. Define the following terms of purchase.
    - a. Net 30 days - This means the purchaser has 30 days from the date of invoice to make payment.
    - b. E.O.M. - Means payment is due by the end of the month in which the merchandise was shipped.
    - c. R.O.G. - Means payment is due when merchandise is received.

11. Define the following types of discounts.
    - a. Trade discount - A specific percentage discount taken from the list price.
    - b. Quantity discount - A discount given for purchasing a certain quantity.
    - c. Cash discount - A discount given for paying for merchandise within a specific period of time.

12. What is the principal disadvantage of small, frequent purchases of merchandise?
    The loss of quantity discounts.

13. List the advantages of small, frequent purchases.
    They may prevent spoilage, shrinkage, and possible losses from decreased demands.

14. List factors that will influence selling price.
    a. Established average profit
    b. Stock turnover
    c. Display space required
    d. Storage required
    e. Quantity discounts

Information Sheet
on
MERCHANDISE PLANNING

Although many of the purchases of businesses are of basic items, items which must be reordered when the inventory is depleted, buyers encounter a number of difficult decisions. Included in these decisions are such factors as what items to purchase, time of purchase, how to buy, quantity to purchase, and determining selling price. These decisions could be used as the definition for merchandising. A discussion of each of the decisions is given below:

What Items to Purchase

In reality, the buyer of merchandise is a purchasing agent for the customers; that is, if the merchandise is to be sold. To sell goods, the merchandise desired by the customers must be bought and stocked. In order to purchase salable merchandise, the buyer must have a knowledge of the customer--how they live, habits, income, and mores. To be successful, a business must generally cater to the people living in the immediate trade area, although some business will derive from customers living outside.

Due to exposure to radio, TV, and daily newspapers, a desire for some products is created through advertisements by manufacturers. The buyer for a business must be aware of the desires of customers. Ways in which desires can be determined are observing customer purchases and having a knowledge of general economic conditions. When economic conditions are good, the customer will purchase higher priced merchandise. Economic conditions normally move in cycles. A merchant must understand the cycles to have the most profitable business.

Other ways in which a merchant may determine customer needs and desires are by (1) conducting surveys, (2) making a comparison of items sold by competitors, (3) keeping informed through trade journals, and (4) evaluating past sales.

A merchant should recognize fad items and not become overstocked with them. It is difficult to maintain a stocking level of these items consistent with demands; but at some point and time, the sale of these items will become nonexistent.

Time of Purchase

The time of purchase is very important, and it is usually a mistake to take delivery of merchandise out of season. An example might be the taking delivery of winter clothing in the early spring. This would require operating capital that could be used to stock other merchandise and would require storage space. The merchant, however, must realize that it is usually necessary to purchase some merchandise in advance of the season when it will be sold. Buying in advance for future delivery is referred to as "booking." Being aware that it is possible for some items to become obsolete before they are stocked is important. The quantity ordered and stocking level of merchandise developed in areas of advancing technology should be observed closely.

Ways in which the merchant may determine when to buy are as follows: (1) consumer surveys, (2) maintain current knowledge of customer needs, (3) observe competition (advertisements, displays, and actually entering the competitor's business), (4) from sales representatives, (5) brokers, and (6) trade publications.

How to Buy

This factor includes method of shipment, terms of sale, and discounts, if available. The last item listed includes volume discounts and payment discounts.

Freight charges are paid by two methods: (1) C.O.D. (cash on delivery), and (2) F.O.B. (free on board). This may include both freight charges and merchandise, or only merchandise. F.O.B. indicates free delivery, but this term has two meanings. These are F.O.B. shipping point and F.O.B. destination. F.O.B. shipping point means that the seller pays to deliver the goods from his/her business to the shipping point, which is usually a terminal in the town in which the seller is doing business. The purchaser must pay the freight charges from the shipping point to his business. F.O.B. destination means the merchandise is shipped to the buyer's community free and is paid by the seller. However, the buyer might have to pay for delivery from the freight terminal in the community in which the business is located to the place of business. If shipped by truck, there is usually no charge for merchandise shipped F.O.B. destination.

The terms of purchase are usually "net 30 days." This means the purchaser has 30 days from the date of invoice to make payment. The shipping date and invoice date are usually the same. Because of the high interest rates at the present time, some sellers request payment by E.O.M. (end of month). This means by the end of the month in which the merchandise was shipped. Some sellers, however, specify R.O.G. (receipt of goods) terms, which means payment is due when merchandise is received.

Three types of discounts are given by some wholesalers. These are trade, quantity, and cash discounts. A trade discount is a specific percentage discount taken from the list price. A quantity discount is a discount for buying a certain quantity. The discounts for different quantities is usually established prior to the sale and is specified on a price list. A cash discount is given by some wholesalers when the invoice is paid within a specified period of time.

Quantities to Purchase

This factor is important because too small an inventory will result in lost sales, while too large an inventory will require the use of capital over a long period of time. Small, frequent purchases may cause the merchant to lose a quantity discount; however, frequent purchases may prevent spoilage, shrinkage, and possible losses from decreased demands. A good policy is often a policy of moderation, neither a small or a large inventory.

Determining Selling Price

Most businesses attempt to maintain an established average profit, but it is difficult to maintain an average profit on all items. The merchant will have to be astute in developing good will which will cause customers to purchase merchandise that will help in making up for items sold below the average profit level.

In highly competitive businesses about one-third of the businesses maintain an average profit, one-third maintain a higher than average profit, and one-third maintain a below average profit.

As discussed in a previous topic, the students must be aware that stock turnover, storage required, display space required, and quantity discounts will affect selling price. The merchant must establish a selling price that will provide enough profit to stay in business and at the same time establish a price that will cause the merchandise to be bought.

TOPIC: INVENTORY

OBJECTIVE: To develop an understanding of the principles and practices used in maintaining and utilizing inventories.

REFERENCE: Information Sheet, "Inventory"

ACTIVITY:

Review information sheet and conduct a class discussion of the questions.

QUESTIONS AND ANSWERS:

1. What is an inventory?
   An itemized listing of merchandise in stock and an estimate of its value. Also included are capital items such as scales, display cases, cash registers, vehicles used in the business, etc.

Transparency No. 1

2. List some reasons why inventories are necessary.
   a. For making periodic analysis of business
   b. For determining age of stock and turnover rate
   c. To determine losses due to shrinkage, damage, theft, and other causes
   d. For tax reports (sales and income)
   e. To determine amount of insurance needed
   f. To determine stocking levels
   g. As a pricing guide

3. What is a perpetual inventory?
   A listing of merchandise and the number of items on hand at all times.

4. Why are physical inventories important?
   Because this is the only means of maintaining a truly accurate inventory.

Transparency No. 2

5. In addition to counting the number of items, what purposes are met by a physical inventory?
   a. Arranging of stock
   b. Checking condition of stock
   c. Separating into departments or categories
   d. Determining value

Information Sheet
on
INVENTORY

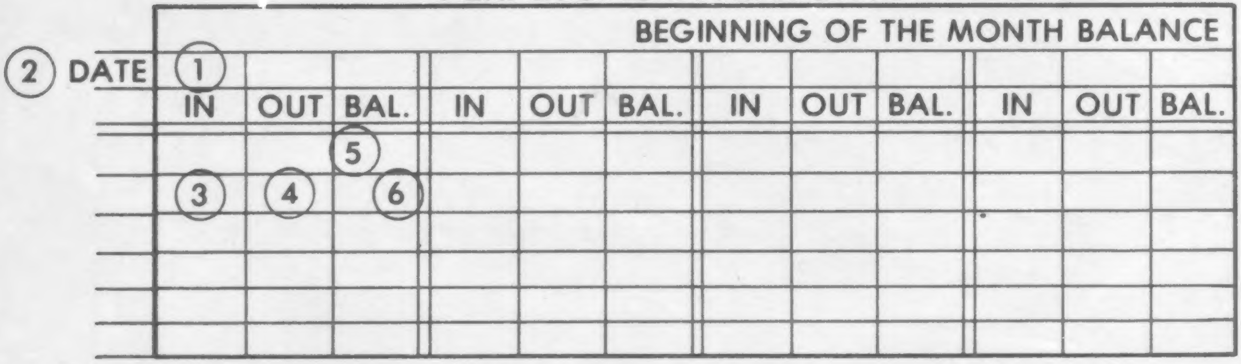
An inventory is an itemized list of merchandise in stock and an estimate of its value. Also included in the inventory are capital items such as scales, display cases, cash registers, vehicles used in the business, etc. The inventory might be said to be the basis of a business. Business managers use the inventory in several different ways:

1. For making periodic analysis of the business;
2. For determining age of stock and turnover rate;
3. To determine losses due to shrinkage, damage, theft, and other causes;
4. For tax reports;
5. To determine the amount of insurance needed;
6. To determine the most profitable items;
7. To determine stocking levels; and
8. As a pricing guide.

There is only one way of actually knowing how many units of any particular item there are in stock, and that is to take a physical count periodically. Although there are several types of inventories kept by businesses, a physical count must be made in order to keep the inventory and value accurate.

Some businesses keep what is called a perpetual inventory. Supposedly, this method will provide a listing of stock and the number of items of merchandise on hand at any time. The perpetual inventory is maintained by systematically adding the purchases to the inventory and by subtracting the daily sales from the inventory. A "book" inventory level is maintained as purchases and sales are made. To be assured of accuracy, periodic physical counts must be made and checked against the perpetual inventory. An example of a perpetual inventory form is shown below.

PERPETUAL INVENTORY



	BEGINNING OF THE MONTH BALANCE											
② DATE	①											
	IN	OUT	BAL.	IN	OUT	BAL.	IN	OUT	BAL.	IN	OUT	BAL.
			⑤									
	③	④	⑥									

An explanation of the parts of the inventory form are given below:

1. The space at the top of the form showing "in, out, balance" columns are used for listing the item for which the perpetual inventory is being kept.
2. One line is provided for each day.
3. The "in" column is for recording items received or purchased by the business.
4. The "out" column is for recording items that have been sold by the business. This record is usually made at the end of the business day and is compiled from the sales slips.
5. The "balance" on hand at the beginning of the inventory period is recorded in this space.
6. The "balance" column is also used to keep a daily record of the amount of the item on hand.

The procedure for making a physical inventory will vary, but all or many of the following procedures will be used:

1. Arrange stock in an orderly fashion.
2. Check condition of stock, and count only that which is salable.
3. Count and record every item, listing the cost unless the particular business prefers that the selling price be used.
4. Inventories for each department and each type of merchandise is kept separately.
5. Compute totals.

TOPIC: FINANCIAL CONTROL AND CONSUMER CREDIT

OBJECTIVE: To develop an understanding of the need for and functions of agricultural credit and the function of agribusinesses in providing credit.

REFERENCE: Information Sheet, "Financial Control and Consumer Credit"

ACTIVITIES:
Review information sheet and lead a class discussion of the questions.

QUESTIONS AND ANSWERS:

1. Why do most businesses have to borrow money?
   To increase business, thus profits. The salary of management in the competitive American system is directly related to the amount of capital invested.

2. Give the formula for profits that applies to all businesses.
   Capital + labor + management = profits

3. How do the resources in the above formula affect profits?
   Each resource must be in the right proportion to provide maximum profits.

4. List the two kinds of credit.
   a. Productive
   b. Consumption

5. Why is it important for the owner of an agribusiness to limit consumption credit?
   Because consumption credit can limit the amount of productive credit available.

6. How is credit classified?
   According to its period of use.

7. Define each of the credit classifications.
   a. Long-term loans - are loans used to purchase land, buildings, and large equipment and are for a period of 8 to 40 years. Interest rates for long-term loans are usually lower, and a mortgage on real estate or equipment serves as collateral for the loan.
   b. Intermediate loans - are loans for a period of 1 to 7 years and are made to purchase smaller equipment.
   c. Short-term loans - are used to purchase small equipment or inventory items such as merchandise and other expendable items which are consumed or sold in one year. Depending on financial status and reputation, some agribusiness owners are able to secure short-term loans without using a mortgage as security. This is often referred to as a signature loan. The borrower signs a promissory note, which

states the loan will be repaid on or before a certain date.

8. What are some of the factors considered by the lender in making a loan?
    a. Character
    b. Capacity
    c. Capital
    d. Risk-bearing ability
    e. Size of operation
    f. Records kept by prospective borrower
    g. Borrower's living expenses
    h. Income distribution

9. What is a solvency ratio and how is it determined?
    A solvency ratio is the ratio of liabilities to assets. It is determined by dividing liabilities into the assets. A ratio of 3:1 (three times as many assets as liabilities) is considered a desirable ratio.

10. List factors that should be considered in determining the amount of credit needed or to be requested.
    a. Long-term outlook of enterprise
    b. Lender's attitude to conditions over which the borrower has no control
    c. Interest rate
    d. Repayment plan
    e. Possible abnormal expenses during repayment period
    f. Expected increase in production from additional resources
    g. Present facilities for handling an increase in production

11. List the advantages of a business extending credit.
    a. More people visit the business
    b. Increases sales
    c. Increases income
    d. Increases profits
    e. Places business in a more competitive position

12. List information that should be obtained before extending a customer credit.
    a. Moral responsibility of customer
    b. History of debts
    c. Financial status

13. What are the advantages of credit card sales?
    a. Make possible the extending of credit without possibility of loss
    b. Payment is received in a short period of time
    c. Responsibility for collecting is not assumed
    d. Credit rating of customer does not have to be checked

e. Expense of keeping records on credit sales is eliminated

14. Discuss each of the items listed for formulating credit and collection policies on the last page of information sheet.
Activity

Information Sheet
on
FINANCIAL CONTROL AND CONSUMER CREDIT

Securing Credit

Most business firms today must be extended credit to successfully conduct their business. The primary objective of most businesses is to increase their income; and in order for a business to increase its income, it must increase its production efficiency or volume of business. This usually includes an increase of resources--capital, land, labor, and equipment. To increase their income by increasing their resources, most agribusiness operators must obtain credit. The importance of credit to a business cannot be overemphasized.

The salary of management in the competitive American system is directly related to the amount of capital invested. In an agribusiness, the owner's or manager's earnings vary with the amount of capital invested. The formula, capital + labor + management = profits, applies to all types of businesses; however, each of the resources in the formula must be in the right proportion to provide maximum profits.

Numerous research reports have proven that the greater the investment, the more proits one can expect. Owners of agribusinesses must have a large investment in order to provide them with the desired profits. A large investment usually requires them to borrow money.

Kinds of Credit

There are two kinds of credit, productive credit and consumption credit.

Productive credit is used to increase production or income and is justifiable when the estimated increase in production will increase profits. Productive credit is used to buy buildings, land, equipment, labor, and merchandise.

Consumption credit (sometimes called consumer credit) is used to purchase consumable items used by the owner's family and does not contribute to income.

It is relatively easy to abuse the use of consumption credit. It is also possible through the use of consumption credit to limit the amount of productive credit available.

Classification of Credit

Credit, according to the period of use, may be classified as long-term loans, intermediate loans, and short-term loans.

Long-term loans are used to purchase land, buildings, and large equipment and are for a period of 8 to 40 years. The interest rates of long-term loans are less than those paid on intermediate and short-term loans. A mortgage on real estate or equipment usually serves as collateral for this type of loan.

Intermediate loans extend for a period of 1 to 7 years and are made for purchase of smaller equipment.

Short-term loans are used to make relatively small purchases such as merchandise, etc. Items purchased with short-term loans are usually expendable and are consumed or sold in one year. Depending on their financial status and reputation, some agribusiness owners are able to secure short-term loans without using a mortgage as security. This is often referred to as a signature loan. The borrower signs a promissory note that the loan will be repaid on or before a certain date.

Basis for Credit

Several factors will be considered when the lender reviews the prospective borrower's loan application.

The first factors usually considered are the three C's (character, capacity, and capital). Other factors are the borrower's risk-bearing ability, size of operation, records kept by prospective borrower, living costs, and income distribution.

Agribusinesses applying for extensive credit are often required to furnish a net worth statement - a listing of assets and liabilities. The solvency ratio may be expressed as being 3:1, which means that for each $3.00 of assets the borrower has $1.00 in liabilities. This is determined by dividing the total liabilities into the total assets. A solvency ratio of 3:1 is considered a desirable ratio, while a ratio of 1:1 is less desirable. Lending money to an individual with a 1:1 solvency ratio would be very risky.

Determining the Amount of Credit

There is always a certain amount of risk when one borrows money, but the borrower, as well as the lender, should attempt to keep his risk at a minimum.

As debt increases, the risk also increases. There are two basic principles in borrowing money: (1) do not borrow money until the risk can be afforded; and (2) borrow early in career, but only after the manager or owner has proved that he/she can successfully operate the enterprise.

There are several factors that should be considered in determining the amount of credit needed and to be requested. These factors are as follows:

1. Long-term outlook of enterprise
2. Lender's attitude to conditions over which the borrower has no control
3. Interest rate
4. Repayment plan

5. Possible abnormal expenses during repayment plan
6. Expected increase in production from additional resources
7. Present facilities for handling an increase in production

Extending Credit

Up to this point, the information has dealt with the borrowing of money by the agribusiness operator. The following information deals with the extending of credit. The agribusiness operator is now on the other side of the desk.

Regardless of the size of business, certain credit policies must be established and adhered to. If the business is an established business that has been operating for several years, usually most of the previously established policies are continued, as policies once established are difficult to change without alienating customers. The operator of a new business should make a thorough study of his/her situation before adopting policies.

Since businesses have found that the advantages of extending credit outweigh the disadvantages, most businesses extend credit. Credit is the name of the business game, so to speak. Advantages of extending credit are listed below:

1. More people visit the business
2. Increases sales
3. Increases income
4. Increases profits
5. Places business in a more competitive position

After a business has decided to extend credit, there are several things which should be known about a customer before extending him/her credit. These are the moral responsibility of the customer, history of debts, and financial status.

Another decision the manager must make regarding credit is whether to accept the widely used credit cards or not. Credit card sales offer both advantages and disadvantages. The advantages are listed below:

1. Makes possible the extending of credit without possibility of losses
2. Payment is received within a short period of time. The businesses' account is credited with the amount of the credit card sales as soon as the slips are taken to the cooperating bank.
3. No responsibility is assumed for collecting the amount.
4. No need to check the customer's credit rating
5. Expense and time required for keeping books on credit sales are eliminated.

Disadvantages of credit card sales are given below:

1. The 5 percent service charge lessens profits. Some businesses' median profit is approximately 5 percent.

2. The average loss from credit customers is less than ½ of 1 percent.

With the modern mechanical aids available for bookkeeping, the cost of keeping credit sales should be a great deal less than the 5% cost of credit card sales.

Credit and Collection Policies

Businesses extending credit should establish and adhere to certain credit policies. The list below includes credit and collection considerations that should be helpful in formulating policies:

1. Select policies suitable for business and adhere to them. Generally, credit sales should be limited to 30% of total sales for new businesses and not over 75% for old, well-established businesses.
2. Name, residence, place of business, business phone, and at least two references should be secured from credit customers.
3. People making phone orders should be thoroughly checked before filling orders.
4. Become a member of local merchant's association.
5. A day of the month should be selected to close accounts, and it should be used consistently. The 25th of the month is a good date.
6. Statements should be mailed monthly.
7. Unpaid accounts should be checked at regular intervals.
8. A second statement should follow before the first of the next month if the account is still unpaid.
9. If the account is still unpaid, a follow-up statement should be sent by the 15th of the month.
10. A service charge of 1% or more should be added to the account if the account has not been paid by the end of 30 days after billing the first time.
11. Bills that are not eventually paid should be turned over to a collection agency. This should be used as a last resort.
12. Bad debts should be written off in the year in which they occur. Bad debts should be kept below ½ of 1%.
13. Records of credit sales should be kept accurately.

TOPIC: SALES TICKETS

OBJECTIVE: To develop an understanding of the necessity for completeness and accuracy in sales tickets and skill in their completion.

REFERENCE: Information Sheet, "Sales Tickets"

ACTIVITIES:

Review the information sheet and conduct a class discussion using the questions.

QUESTIONS AND ANSWERS:

Transparencies No. 1 and 2

1. Have students secure five to ten sales tickets of the type or types used in the places of business in which they are employed. Attach the first to a sheet of paper, and letter each part of the ticket in a manner similar to the sample in the Information Sheet. Letter the parts in the order in which they would fill out the ticket. Then, on another sheet of paper, give the reason or the use for each part represented by a letter.
   Activity

2. In making change, the salesman should use what denomination of bills and coins?
   Largest denominations

3. A numerical file accounts for which sales tickets?
   All of them

4. A record of the customer's business is provided by sales tickets in which file?
   Customer's file

5. Completely make out four to nine sales tickets with at least five items each without repeating the same item.
   Activity

Information Sheet
on
SALES TICKETS

The heart of an accounting system is the billing of merchandise to customers. This is necessary to provide accurate records of transactions. Many businesses have triplicate sales tickets, one for the customer and two for the office files. Sales tickets need to be numbered consecutively in advance for filing and checking purposes and to avoid loss of merchandise through carelessness. Sales tickets will provide the company with the following:

1. Information necessary to make an analysis of the day's business
    a. Amount of cash taken in. This also serves as a check on the cash that should be in the cash register at the close of the day's business.
    b. The amount of merchandise sold
    c. The amount of sales tax collected
2. Information needed for the accounts receivable ledger for the customers who charged their purchases
3. A record of each transaction for future reference. After the information contained on the sales ticket has been recorded in the proper journals, the two copies should be filed as follows:
    a. One in a numerical file since all sales tickets are accounted for in this file. A sales ticket helps keep employees honest, as a sales person cannot accept cash from a customer, prepare a sales ticket, give the customer his/her copy, destroy the office copies, and keep the money.
    b. One in a customer file. This will serve as a record of the customer's business.

Many factors are important in the preparation of the sales ticket:

1. In spite of the importance of sales tickets, many mistakes are made in their use. Some common mistakes are as follows: (Use examples to show how important common mistakes are to the net profit of a business, e.g., how much more is needed in sales to make up for an order for a ton of feed not billed.)
    a. The ticket cannot be read.
    b. Some merchandise is not billed when sold.
    c. Price list and discount policies are not followed.
    d. Mistakes in arithmetic.
    e. Employees do not keep all of their sales tickets.
2. Although each business will have its own procedure for completing sales tickets, the following shows one procedure to follow in making out a sales ticket correctly: (A sample sales ticket is included.)
    a. Enter the correct date.
    b. Write the customer's correct name and address. If a partnership, it should be noted. The name and address becomes absolutely necessary if the purchase is charged.

c. Give a complete description of each article sold. Quantity and unit should be thought of as one item (for example: 100 lbs. of fertilizer or 10 gallons of insecticide). The description should clearly designate the type of merchandise being sold, and not merely be a commodity classification. For example: 100# calf manna, not 100# feed. (On sales tickets, pounds are usually indicated by #). This is necessary for checking price and for inventory controls. Show the price per unit for all merchandise. (Some sales tickets will have a column heading marked "price.") Bill all merchandise at the retail price. If the customer is entitled to a discount because of volume, damage, etc., this amount is deducted from the retail price. Extensions must be mathematically accurate and legibly written.

d. Make a sub-total of the extension.

e. Next, calculate any delivery, mixing, grinding, or shelling charges, and enter under the sales tax calculations.

f. Calculate the sales tax on all taxable items, and enter under the first total. (Sales tax policies will vary according to state laws.)

g. Total all items on the sales ticket. On this example form, the total would be placed on the line marked "grand total." If the business is established as many agricultural cooperatives are today, members of the cooperative may be eligible to receive dividends on their purchases. On this example form, the ticket writer may indicate whether the purchaser is eligible or ineligible for a partonage dividend.

h. Check the block on the ticket to indicate the method of payment (cash, check, charge, returned, account).

i. If settlement is to be made by a check larger than the ticket total, it is necessary to note both the amount of the check on the face of the sales ticket and the change to be given. A similar calculation is recommended when a large bill is given in payment.

j. Get the signature of the person receiving the merchandise when the settlement is other than cash.

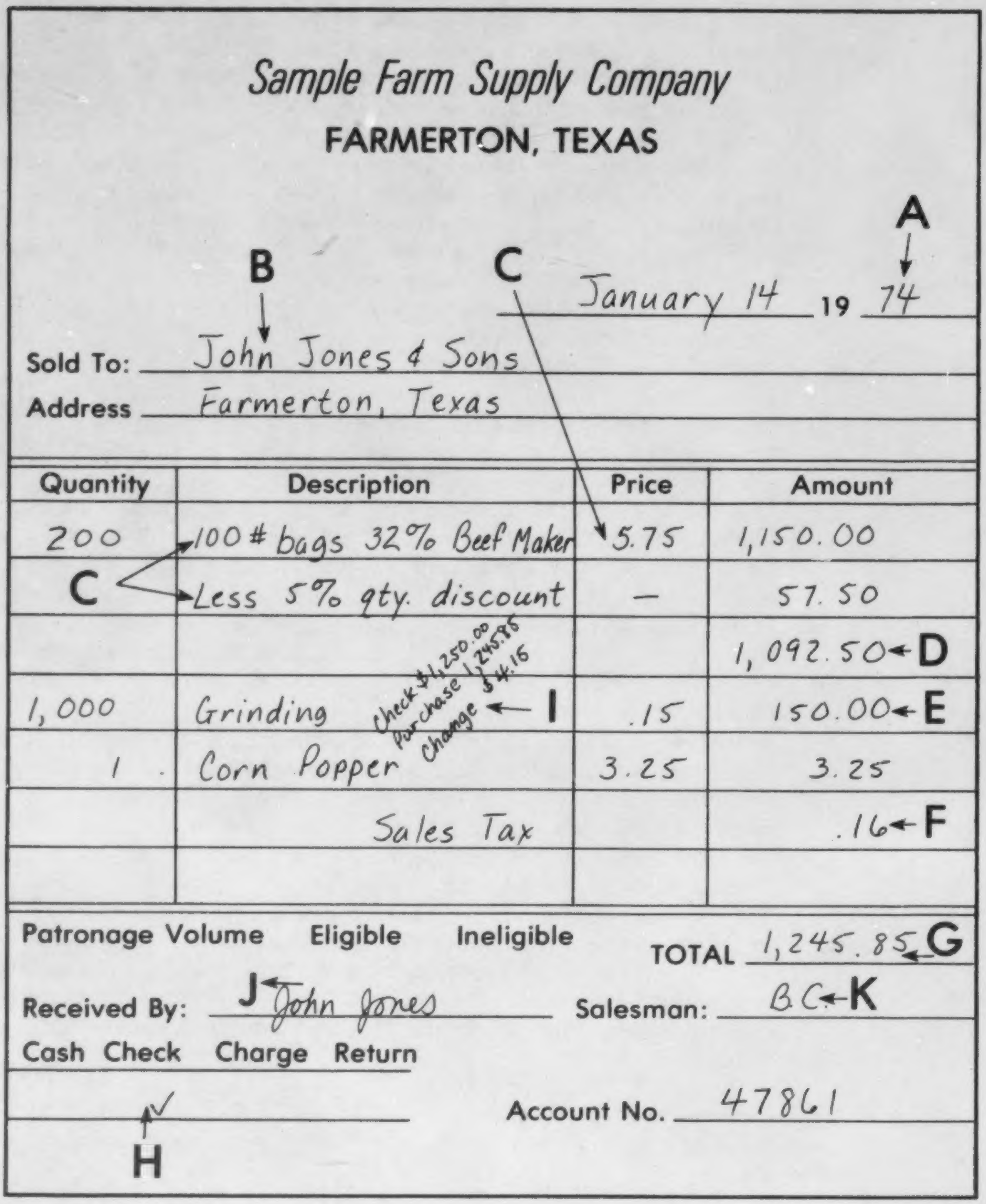
k. The sales person initials the ticket in the appropriate block.

l. In all cases where an employee ruins a ticket for any reason, the word "Void" should be written across the front of the ticket, and the original placed with the other tickets. Sales tickets must be numbered consecutively. Each ticket must be accounted for at the end of the day's business.

When a customer pays on account, make out a sales ticket and mark the items for which he is paying (for example: fertilizer, feed, balance on note, etc.)

Properly prepared sales tickets giving the full information about the transaction provide the manager with the information he needs to conduct the business. Sales tickets may prevent many misunderstandings with customers when a transaction is questioned.

Sales Tickets
(Information Sheet continued)



Sample Farm Supply Company

FARMERTON, TEXAS

A

B C

January 14 19 74

Sold To: John Jones & Sons

Address Farmerton, Texas

Quantity	Description	Price	Amount
200	100# bags 32% Beef Maker	5.75	1,150.00
C	Less 5% qty. discount	—	57.50
			1,092.50 D
1,000	Grinding Check $1,250.00 Purchase 1,245.85 Change $4.16 I	.15	150.00 E
1	Corn Popper	3.25	3.25
	Sales Tax		.16 F

Patronage Volume Eligible Ineligible

TOTAL 1,245.85 G

Received By: J John Jones

Salesman: B.C. K

Cash Check [✓ Charge] Return

H

Account No. 47861

Sales Tickets
(Information Sheet continued)

Making change following a purchase can be done accurately by using the following procedure:

1. Count from the cost of the purchase to the total amount of payment. For example, if the cost is \$2.98 and a \$5 bill is tendered, count "\$2.99, \$3,00, \$4.00, \$5.00."
2. Use the largest denomination of coins and bills possible in making change.
3. Positively identify the amount (e.g., \$5, \$10, etc.) of a bill or check and lay it on top of the cash drawer until after the change is given in order to avoid mistakes.
4. If in doubt as to the correct change, or if payment is by check, the computation should be made with pencil and paper.

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Material for this Information Sheet was taken from: "Business Procedures," Module 6, Agricultural Supply, Sales & Service Occupations, The Center for Research & Leadership Development in Vocational & Technical Education, 980 Kinnear Road, Columbus, Ohio 43212.

TOPIC: GOVERNMENTAL INFLUENCE ON BUSINESS

OBJECTIVE: To inform students of the effects of government influence and regulations on business.

REFERENCE: Information Sheet, "Governmental Influence on Business"

ACTIVITIES:

Review the information sheet and discuss the questions with the class.

QUESTIONS AND ANSWERS:

1. What is the present trend reguarding regulations of businesses by governments?
   The trend is toward increased regulations of business by municipal, state, and federal authorities.

   Transparency No. 1

2. What are the federal agencies most concerned with enforcing regulations affecting all businesses?
   The Federal Trade Commission, the Food & Drug Administration, the Department of Labor, and the Department of Agriculture

3. What effect has the 40-hour per week law had on stores?
   This has resulted in fewer full- and more part-time employees in order to avoid overtime payments.

4. What effect does the old age benefit (Social Security Act) system have on the expenses of a business?
   Both employer and employee pay a federal tax on wages.

5. What is one important reason for government regulations on prices?
   Prices charged for goods and services are frequently thought to be unfair either to consumers or competitors.

6. Discuss situations when unfair prices might be injurious to competitors.
   When a seller charges prices where he is losing money, when a seller's low prices are made possible by his having received advantages in purchasing, and when a supplier's low prices are made available only to certain favored customers.

7. Discuss a situation when unfair prices are injurious to the customer.
   When sellers create a monopoly, and when all agree to hold out for prices so high that the least efficient will make a profit.

8. What is the purpose of fair trade laws?
   To maintain the price of certain items over a large area

Governmental Influence on Business
(Questions & Answers continued)

9. What is the objective or design of unfair practice laws?
They are designed to avoid the use of "loss leaders," that is, items sold below actual cost in order to attract customers.

10. What is the basic reason merchants must pay taxes?
The basic reason is to raise revenue needed by federal, state, and city governments.

Information Sheet
on
GOVERNMENTAL INFLUENCE ON BUSINESS

Prior to and during the development of the industrial society in the United States, businesses operated with very little interference from municipal, state, and federal governments. The attitude of citizens during this period of time was that businesses should be allowed to operate with little restraint and few governmental regulations. The public's attitude has changed and governments at all levels are now regulating many aspects of businesses.

The regulations presently enforced by the different levels of government are too numerous to discuss in one topic. However, regulations dealing with accident insurance, old age and retirement benefits, unemployment benefits, merchandising and consumer credit, and labor regulations are discussed.

Old Age and Retirement Benefits

Most workers are eligible for the provisions of the Social Security Act, which is covered in detail in Topic No. 31. Employer and employee both are required to pay a percentage of the employee's wages into the program. Retirement, disability, and other benefits are available under the provisions of the Act. The self-employed may also participate in the program.

Merchandising and Consumer Credit

There are a number of governmental regulations for the prevention of the unfair pricing of commodities. Without these regulations, it would be possible for a large firm having a number of retail outlets to price items below cost in order to eliminate competition. Price regulations prevent unfair competition and monopolies from developing. They also protect the small retailer and the consumer.

Several states have passed Fair Trade Laws which allow manufacturers to contract with retailers as to the price they will charge for a product. The federal government encourages contracts between retailers and manufacturers that trade in interstate commerce; however, law suits in some states have nullified Fair Trade Laws. Items sold under contract prices are called fair trade items.

The Federal Trade Commission enforces regulations pertaining to unfair practices. One of the regulations to prevent unfair competition is the selling of items below cost. This regulation prevents loss leaders, items priced below cost to attract customers.

Price discrimination laws have been passed by many states, and the federal government has passed the Robinson-Patman Act to prevent price discrimination by manufacturers to preferred customers. Under this Act, prices may be based on sales volume; but overhead and other charges must be the same for all purchasers. Another discriminating factor prevented by the Act is the providing of special services, such as advertising and displays, for a few preferred customers. The same service must be provided all customers.

A number of merchandising regulations are in effect. These include the number of days in a week certain items may be sold, limitations on prices, advertising regulations, labeling regulations, and tax rates paid by manufacturers and retailers. In Texas these regulations are referred to as "Blue Laws."

Consumer credit is regulated by the federal government through the Consumer Affairs Agency. The Truth-in-Lending Act of 1969 stipulated that the federal government would represent the consumer in consumer affairs. Efforts are made to prevent the consumer from being mislead by false claims about a product. Also, in Texas there are laws which regulate the amount of interest that may be charged for consumer loans.

Labor Regulations

The U.S. Department of Labor is responsible for enforcing a number of regulations dealing with interstate commerce, wages, and the hiring of minors. Businesses engaged in interstate commerce are required to pay their employees a minimum wage for a 40-hour work week and overtime wages for all time worked over 40-hours in a week. This has caused some employees, such as supermarkets, to increase the number of part-time employees and reduce the number of full-time employees.

The minimum age that most business firms may hire minors is 16 years, but a worker must be 18 years of age to be employed in some occupations. Learner certificates must be issued to some students in order for a business to pay them a sub-minimum wage while they are learning an occupation. Some of the students in the ACT class may be employed at sub-minimum wages.

Many departments and agencies within the different levels of governments (municipal, state, and federal) have the responsibility of enforcing regulations which influence the activities of businesses. Agencies having the greatest responsibility for consumer protection are the Department of Agriculture (state and federal), Department of Labor, Federal Trade Commission, and Food and Drug Administration.

TOPIC: SAFETY ON THE JOB

OBJECTIVE: To acquaint the students with the importance of preventing accidents on the job and the loss and suffering caused by accidents. Also, to acquaint them with some of the ways in which accidents can be prevented.

ACTIVITIES:

1. Ask students to honestly answer statements under Check List of Driving Techniques.
2. Ask students to determine if they have any of the characteristics under the four classifications of drivers.

QUESTIONS AND ANSWERS:

1. How many disabling accidents are there in the United States annually?
   2,000,000

2. How many of the accidents are agriculturally related?
   290,000

3. List the percentages of injuries to the different parts of the body.
   a. 31 percent to arms, hands, and fingers
   b. 27 percent to trunk of body
   c. 22 percent to legs, feet, and toes
   d. 10 percent to head and eyes

4. List the causes of accidents as determined in a study by a large manufacturing firm.
   a. 44 percent due to worker being in wrong position
   b. 40 percent due to improper use of tools
   c. 11 percent due to incorrect procedure or lack of skill
   d. 5 percent due to various other reasons

5. What are the principal causes of most accidents?
   Most accidents are due to negligence, carelessness, or failure of the employee to use safety precautions.

6. List some of the governmental agencies and private organizations that have been organized to prevent accidents.
   a. Occupational Safety and Health Act
   b. National Institute of Occupational Safety and Health
   c. Underwriters Laboratory
   d. Power Tool Institute
   e. National Fire Protection Association
   f. American Society of Agricultural Engineers

Transparency No. 1

7. List the protective devices that may be used for the different parts of the body listed below.
   a. Head - Safety helmet or hard hat
   b. Eyes - Safety glasses, goggles, face shield, filter lenses, and welding helmet
   c. Ears - Ear muffs or ear plugs
   d. Arms and Hands - Long sleeve shirt and gloves
   e. Dust and Vapor Hazard - Mask or respirator
   f. Feet and Toes - Metal toe plate in shoes

8. List two ways in which workers might be injured from using a ladder.
   a. Improper use
   b. Ladder in poor condition

Transparency No. 2

9. What is considered a safe distance from the base of a ladder to the wall? One-fourth the height of the ladder

10. List some of the most common unsafe acts.
    a. Excessive talking while machinery is in operation
    b. Oiling, cleaning, and adjusting a machine while it is in operation
    c. Horseplay
    d. Reaching for falling parts while machine is in operation

Transparency No. 3

11. List the procedure to follow when lifting heavy objects.
    a. Estimate load to be lifted
    b. Lift no more than about 35 percent of body weight
    c. Load should be lifted with legs and not back
    d. Feet are kept close to load to be lifted - 8 to 12 inches apart
    e. Assume a squatting position with back erect
    f. Raise or lift weight with leg muscles by straightening legs
    g. If two people are lifting weight, lift on signal

12. Classify the following statements as to the correct classification for poor drivers.
    a. Stopping and making turns without signaling - Egotist
    b. Drives too fast for road condition - Show-off
    c. Lacks presence of mind in emergency - Over-emotional
    d. A person who will not admit fault - Rationalizer

Information Sheet
on
SAFETY ON THE JOB

The agricultural industry leads all other industries in the number of deaths and injuries caused by accidents. About 290,000 of the 2,000,000 annual disabling injuries in the United States are agriculturally related. Loss of wages and medical, legal, and disability payments amount to billions of dollars annually. In addition, there is much suffering and pain. In a study conducted of the manufacturing industry in 1975, it was determined that accidents were responsible for a loss of one-half day per worker. This amounts to 29.8 million work days in a year. In secondary school shops, students miss an average of one school day per injury.

Of the 2,000,000 annual accidents in the U.S., 12,500 result in death; and another 80,000 cause permanent disability. Injuries to the different parts of workers' bodies are as follows: 31 percent to arms, hands, and fingers; 27 percent to the trunk of the body; 22 percent to legs, feet, and toes; and 10 percent to head and eyes.

In another study of accidents in the plants of a large manufacturing firm, it was determined that causes of accidents were as follows: 44 percent were due to the worker being in the wrong position (head, feet, or body), 40 percent due to improper use of tools, 11 percent due to incorrect procedure or lack of skill, and 5 percent due to various other reasons.

It would appear that employees would be safety conscious since they must bear the suffering, possible body disfiguration, and loss of wages; but most accidents are due to negligence, carelessness, or failure of the employee to use safety precautions. Most employers, however, are safety conscious and expend time, efforts, and money attempting to provide safe working conditions.

Safety Agencies

Because of the tremendous losses due to accidents, a number of federal and state agencies, as well as privately endowed organizations, have been formed to prevent accidents. A brief discussion of some of these is given.

The Occupational Safety and Health Act (OSHA) was passed by Congress in 1970 for the purpose of reducing hazards of workers and to develop and enforce job safety and health standards. Under the Act, OSHA has the authority to make safety inspections, issue citations, and impose fines for noncompliance of standards. Both employer and employee have the responsibility for using and complying with OSHA standards. Employers must provide safe working conditions, while employees must follow the standards. With the passage of the Act and the establishment of OSHA, there is a legal basis for enforcing compliance. The employer is liable if safe and healthful working conditions are not provided, and the employee is liable if the standard is not followed.

In addition to establishing OSHA, which is administered by the Department of Labor, the Act established the National Institute of Occupational Safety and Health (NIOSH), an agency within the U.S. Department of Health. NIOSH conducts research relating to safety and health problems, provides technical assistance, and makes recommendations to OSHA regarding the standards.

A discussion of some of the volunteer and industrial organizations that are concerned and assist in protecting workers is given below.

Underwriters Laboratory (UL) tests electrical products and determines if products meet their standards. The UL symbol is placed on products meeting minimum standards. This symbol assures the user that the product is safe when used as intended. When purchasing electrical equipment, a person should be sure the equipment bears the symbol.

The Power Tool Institute (PTI) provides educational materials on the proper and safe use of power tools.

Another organization interested in safety is the National Fire Protection Association (NFPA), which publishes the "National Electrical Code" and the "National Fire Protection Code," a 16-volume set.

The American Society of Agricultural Engineers (ASAE) develops standards for safety in manufacturing, while the American Society for Testing and Materials (ASTM), a voluntary membership organization, develops standards for materials, products, systems, and services.

Although it would be impossible to discuss all of the factors contributing to worker safety and accidents in one topic, some of the most prevalent factors are discussed.

Personal Protection

Personal protection will prevent many accidents, as equipment is available for protecting the head, eyes, ears, hands, feet, body, and respiratory system.

The most common injury to the head is caused by falling objects. Most industrial jobs have experienced this type of injury. Wearing a safety helmet or hard hat will eliminate most of these types of injuries.

The loss of sight is a tragedy which can be prevented by wearing the proper type of eye protection. The types of protection available are shown in a transparency.

Ears should be protected from high frequency sound vibrations and loud noises. Ear muffs or ear plugs should be worn to prevent injury. The equipment used should meet

ANSI standards, as it will reduce the decibel level of noise to an noninjurious level. Students should be made aware that the use of cotton as ear plugs is of little or no value.

Generally the arms and hands can be protected by wearing a long sleeve shirt and gloves, as most injuries to these areas are caused by cuts, bruises, burns, sprains, splinters, and broken bones. Leather or vinyl coated gloves should be worn when handling wood and steel. Special gauntlet type asbestos gloves are worn when cutting with an oxyacetylene torch and welding. Rubber or plastic treated gloves are worn when handling acids such as that in batteries.

In shops where the air might be a hazard to one's health, particularly where dust and toxic vapors are present, a mask or respirator should be worn. Two types of masks are available, dust and chemical. The dust mask fits over the nose and mouth and is effective against dust and certain fibers. The chemical mask contains a filter element and a chemical cartridge. The mask should fit tightly about the face.

To prevent injury to the feet, protective shoes containing a metal toe plate should be worn. Most injuries to the feet are caused by dropping heavy objects.

Machinery Operations

Improper use of presses of all kinds, saws, shears, shapers, and drop hammers is responsible for many industrial accidents and injuries. Machine tools of all types should be considered to be dangerous, and safety precautions, particularly at such points as gears, belting, and set-screws, should be taken. Most machine tools are provided with safety guards. These should always be in place when operating the machine. Since many of the injuries caused in operating machines are due to rings, bracelets, and wrist watches catching on the machine, these should not be worn by the operator.

Ladder Safety

Ladders cause injuries in two ways: injury resulting from a defective condition and injury from improper use. Precautions that should be taken when using a ladder are as follows:

1. It should be in a good condition.
2. It should be equipped with "safety feet" suitable for the surface where used.
3. The proper angle should be formed with the ladder and wall. The distance from the base of the ladder to the wall should be one-fourth of the height of the ladder.

Common Unsafe Acts

The complete elimination of unsafe acts will probably never be accomplished, and there will always be problems of safety. However, suggestions for eliminating the most common unsafe acts are given below.

Excessive talking is an unsafe act for the operator of machinery. A distraction for only a few seconds is all that is required to get fingers caught in an operating machine.

The oiling, cleaning, and adjusting of machinery appears harmless, but performing these tasks while the machinery is being operated is unsafe. If it is necessary to operate the machinery in order to adjust it, adjustments should be made with caution.

Horseplay is a dangerous form of amusement in areas where machinery is being operated. It should not be permitted in the most innocent form.

Reaching for parts which are falling into a machine is a very unsafe act. Since this is a natural reaction, the operator must always be alert and not try to catch falling objects while the machinery is being operated.

Lifting Heavy Objects

Heavy objects should be pushed, rolled, slid, or pulled, rather than being lifted, if possible. When it is necessary to lift heavy objects following the procedures listed below will prevent injury.

1. Estimate the load to be lifted. If possible help should be secured. Generally one should not attempt to lift a load of more than 35 percent of his/her body weight.
2. Heavy loads should be lifted with the legs and not the back.
3. Feet should be kept close to the object being lifted. One foot should be closer to the object than the other to maintain balance. Normally feet should be from 8 to 12 inches apart.
4. Knees should be bent, and hips should be kept lower than shoulders.
5. To lift a heavy weight, the worker assumes a squatting position with back erect. The weight is raised by straightening legs. This procedure brings the leg muscles into use and prevents the back from being strained.
6. A signal should be given to lift when two or more workers are lifting. This equalizes the load.

Even when moving light weight packages, a truck, dolly, hoist, or forklift should be used if available. Its use will save time as well as the worker's back.

It is necessary at times for workers to unload boxes, crates, barrels, and equipment from a truck bed which is several feet from the ground or unloading ramp. If a forklift is not available, boxes or crates may be slid down a gangplank. Barrels, kegs, and similar circular containers may be tilted and rolled on edge. Sometimes it is possible to handle a square or rectangular crate by the tilting, balancing, and rolling process.

Driving Safely

People do not react in exactly the same way to similar situations. Each person has a special combination of abilities, habits, and attitudes, which are dependent to a great extent on background or environment.

A person's psychology is responsible for the way he/she drives. A person should try to avoid the mental twists or psychological "weak spots" that produce driver behavior which might cause an accident. Also, an attempt should be made to develop mature driving behavior and good judgment. Studies conducted by the U.S. Bureau of Public Roads and commercial firms operating large fleets reveal that drivers suffering from emotional or other disturbances are the most accident- prone and are responsible for most of the driving accidents.

Most poor drivers are within one of the following four classifications. Do the students recognize any of the characteristics of drivers in the four classifications and do they have similar or the same characteristics?

The first classification is the egotist. A perfect example of an egotist is a small child who is self-centered, selfish, and unyielding. As people mature, they learn that they are not the "center of the universe" and acquire social attitudes. They are cooperative, willing to share the road, and yield to other drivers.

The egotist is a psychological misfit when driving a car and can easily be identified. Some other characteristics of an egotist are as follows:

Stopping and making turns without signaling
Turning from the wrong traffic lane
Cutting in too closely after passing
Failure to stay in traffic lane
Pulling into lane of traffic out-of-turn
Demanding the right-of-way
Double parking if convenient
Parking car in two parking spaces
Pulling away from curb without looking or signaling

The second classification is the show-off. Since this person is also immature, he/she is similar to the egotist. The show-off is a boastful, competitive driver who often suffers from an inferiority complex. His/her sense of inferiority is concealed by trying to appear superior. While actually being admired by no one, the show-off thinks he/she is admired by all. The show-off is a poor driving risk because of the following characteristics:

Drives too fast for road conditions
Drives more reckless the larger the audience
Creates near emergencies to prove he/she can avoid them

Boasts of car's speed, power, and own skill
Passes other cars when there is some risk
Always takes a dare
Has a loud color car and loud mufflers

The over-emotional driver is the third classification. Uncontrolled emotions are an indication of immaturity, while controlled emotions and calmness under stress are signs of maturity. Characteristics of an emotional driver are as follows:

Lacks presence of mind in emergency
Becomes upset over trifles and is nervous in unusual situations
Loses temper and consequently judgment
Expresses anger by driving recklessly
Shows impatience in traffic jams and blows horn irrationally
Flashes high beam lights in eyes of oncoming drivers
Calls other drivers abusive names
Is easily distracted from driving

The fourth classification is the rationalizer, a person who cannot face valid facts. The rationalizer views conditions as he/she would like them, rather than as they are. Due to a lack of courage, the rationalizer will not admit his/her faults. Such a person is clever at finding plausible sounding arguments to excuse most anything--even though obviously wrong.

CHECK LIST OF DRIVING TECHNIQUES

The following questions are answered either "yes" or "no". A credit of five points is given for each yes answer. The student should be honest with himself/herself; and if a safe driving technique is occasionally broken, a no answer should be recorded.

1. Babyish egotism has been outgrown. ________
2. Either hand or flasher signals are given before stopping or turning. ________
3. Driver refrains from cutting too closely after passing a car. ________
4. If there is a possible risk, a car is not passed. ________
5. Only marked parking is adequate for parking car. ________
6. Oncoming traffic is observed and a signal is given before pulling away from a curb. ________
7. Driving is sportsmanship rather than showmanship. ________
8. Highway is used for driving and not as a race track. ________
9. Driving dares are ignored. ________
10. Car is free of stickers and is not of a loud color. ________
11. Double parking is refrained from at all times. ________
12. Stops are made at red lights without muttering or having unkind thoughts. ________

13. Mature behavior is always practiced when driving. ________
14. Presence of mind is maintained in a driving emergency. ________
15. Irrational horn blowing is abstained from. ________
16. Lights are placed on low beam when approaching a car at night. ________
17. Traffic officers are considered to be driver's friend. ________
18. Temper is maintained and driving trifles are not upsetting. ________
19. Facts are faced squarely. ________
20. Faults are readily admitted. ________

TOPIC: TELEPHONE COURTESY

OBJECTIVE: To make students aware of the importance of telephone courtesy and to provide information on how to use the telephone.

REFERENCE: Information Sheet, "Telephone Courtesy"

ACTIVITY:

Since most telephone companies have "tele-trainers" available, the teacher should contact the local telephone company and arrange for the class to use them. "Tele-trainers are portable self-contained telephones used to simulate customer-employee telephone conversations. Students should be given several different situations and allowed time to practice discussing them on the "tele-trainer."

QUESTIONS AND ANSWERS:

1. Why is the use of a business telephone important to a business?
   Regardless of the purpose for which a business telephone is used, an image of the business is projected, and the person calling forms an opinion of the business. The opinion formed can greatly affect the success of the business.

2. List voice qualities which are important in telephone communication.
   - a. Alertness
   - b. Expression
   - c. Naturalness
   - d. Pleasantness
   - e. Distinctness
   - f. Modulation
   - g. Calmness

3. How does calmness of the person receiving a call affect the caller?
   It has a calming effect on the caller. This is true even if the caller is upset.

4. What is telephone courtesy?
   Telephone courtesy is an extension of thoughtfulness, politeness, kindness, consideration, and respect which are normally shown in face-to-face contact.

5. What is meant by modulation and in what tone should one engage in a telephone conversation?
   Modulation is a voice quality which is the inflection of tone or pitch of the voice. An attempt should be made to use a moderate tone when using the telephone.

6. How should an employee answer a business telephone?
   The employee should say "Good morning or good afternoon," identify the company, and identify himself/herself.

7. Explain how a call should be handled when the caller desires to speak to someone who is not in the immediate area of the telephone.
   Ask caller if he/she would like to wait until person being called can come to the telephone, or if the person being called can call back. This provides

the caller with a choice. If the caller's decision is to wait and the time of waiting is longer than expected, it was the caller's decision. If the caller requests the employee to call back, the employee should make this call as soon as possible.

8. How should the terminating of a telephone conversation be handled? The person initiating the telephone call should be allowed to hang up first.

Information Sheet
on
TELEPHONE COURTESY

The use of telephones allows businesses to accomplish many objectives which would otherwise require additional personnel and possibly many miles of travel. Businesses use telephones in numerous ways such as sales conferences, ordering merchandise, and answering inquiries. Regardless of the purpose for which a telephone is used, an image of the business is projected; and the caller forms an opinion of the business operation. The opinion formed by the callers can greatly affect the success of a business. For this reason, it is extremely important that the telephone be used properly.

When an employee uses the business telephone, he/she is the voice and image maker for the business. The type of information and the manner in which it is presented produce the image received on the other end of the line. Every employee of a firm will at times be called upon to answer the telephone and should be made aware of its importance. A telephone magnifies imperfections because it changes every word from sound waves into electric current, sends the waves out over wires, and then changes them back into sound waves on the other end.

Some voice qualities which are important in telephone communication are as follows:

1. Alertness - A state of readiness which is indicative of interest and an eagerness to help the person making the call.
2. Expression - A vocal intonation which is indicative of feeling. Statements should be relayed in a pleasant, firm, confident voice, rather than in a nervous, dull monotone. This projects a good image and instills confidence.
3. Naturalness - Refers to normal or usual voice character. The tone of voice and vocabulary should express the employee's own, best, natural self.
4. Pleasantness - An expression of satisfaction and gratification. The employee's conversation should be relayed in a pleasant, optimistic manner.
5. Distinctness - Talking with a clear, precise pronunciation of words. To accomplish this, the lips should be about one-half inch from the telephone mouthpiece. This allows for lip movement which is essential for good pronunciation. Employees should refrain from talking with gum, candy, or any object in the mouth. People are often hesitant to request the repeating of statements, and straining to hear is very uncomfortable. Remembering the following will help in speaking distinctly:
   a. Speak directly into mouthpiece.
   b. Speak slowly enough to be distinct.
   c. Project the voice firmly, as if the person is standing five to six feet away.
   d. Maintain a moderate tone of voice.

6. Modulation - Inflection of the tone or pitch of the voice. A loud voice is unpleasant, while a whisper is equally irritating. An attempt should be made to maintain a moderate volume or tone of voice.
7. Calmness - A settled composure. It tends to have a calming effect even if the caller is nervous or upset. The employee should attempt to remain calm even if the conversation is unpleasant.

The above qualities should be constantly practiced in order to convey a desirable image and business-like attitude. Other important aspects of properly using the business telephone are discussed below.

Telephone courtesy is an extension of thoughtfulness, politeness, kindness, consideration, and respect which are normally shown in face-to-face contact. The recognition of names of people calling is important, and the use of a person's name can be quite effective after a break in the conversation. This impresses the caller and helps the employee to remember names. Also the writing of the caller's name will help in remembering it.

Still other important aspects of telephone courtesy which are impressive are the phrases "thank you" and "you're welcome." These should be used at the appropriate time.

Although it may appear unimportant, answering the telephone promptly indicates an alert, efficient operation and a desire to be of service. Also answering the telephone promptly will prevent the caller's loss of patience, and normally he/she will be in a better mood.

The greeting of "hello" when answering a business telephone might be classified as being old-fashioned. This type of greeting requires the caller to ask for a specific party, which is troublesome. An effective greeting is "Good morning or good afternoon, the A to Z Farm Supply, John Smith speaking." This greeting identifies the company, the person answering, and allows caller to state his/her business immediately, or ask for the person to whom he/she wishes to speak.

Handling the call properly for a person not near the telephone is also important to projecting a desirable business image. The procedure for handling such a call is discussed below.

1. Ask caller if he/she would like to wait until person being called can come to telephone, or if the person being called can call back. This provides the caller with a choice and if the caller has to wait longer than desired, it was his/her decision.
    a. If the caller's decision is to wait and if the party being called is some distance from the telephone, the employee answering the telephone should return to the telephone and state that "__________ or Mr./Mrs. __________ was farther away than thought, but he/she is on the way to the telephone.

  - b. The person being called to the telephone should say "Thank you Mr./Mrs. __________ for waiting for me."
  - c. If the caller requests the person being called to call back, this person should do so as soon as possible.
2. When answering the telephone and receiving a request for an employee to return the call, the employee should make a note of the caller's full name, telephone number, information desired, date of call, time of call, etc.
3. After terminating a telephone conversation, the person initiating the call should be allowed to hang up first. This eliminates the possibility of a loud click in his/her ear as the receiver is replaced and is an indication of a courteous, thoughtful person.

A pad of paper, pencil, and certain forms for recording calls should always be near the telephone. This allows the immediate recording of information and is indicative of efficiency.

The following are characteristics of good telephone usage for both business and residential telephones:

1. Plan each call;
2. Dial or use push buttons carefully;
3. Answer promptly;
4. Identify yourself, both when answering and placing calls;
5. Speak clearly;
6. Make definite requests; give definite answers;
7. Explain delays and keep them as short as possible;
8. Keep paper, pencil, and standard forms readily available; and
9. Express appreciation, say "goodby", and hang up gently.

TOPIC: AGRICULTURAL SALES

OBJECTIVE: To acquaint the students with the characteristics of a good salesperson and how they are developed.

REFERENCE: Information Sheet, "Agricultural Sales"

ACTIVITY:

Lead a class discussion of questions.

QUESTIONS AND ANSWERS:

1. What is selling?
   An act of assisting and persuading an individual or group to buy.

Transparency No. 1

2. List the ingredients of a good salesperson.
   The three basic ingredients are a knowledge of people, product, and one's self; however, there are other factors such as the selling process, the firm, and salesperson's relations to the customer, that are important.

Transparency No. 2

3. What are some of the advantages of a career in sales?
   a. Prestige
   b. Recognition of success
   c. Direct dealings with public
   d. Helping others make decisions
   e. Something new every day

Transparency No. 3

4. What are decisions made by a customer before buying?
   a. Need
   b. Price
   c. Source
   d. Product needed
   e. Time

Transparency No. 4

5. List the qualities of an effective sales personality.
   a. Sincerity
   b. Tact
   c. Enthusiasm
   d. Courtesy
   e. Cheerfulness
   f. Initiative
   g. Friendliness
   h. Persistence
   i. Memory
   j. Application

Transparency No. 5

6. List the factors which make a good sales attitude.
   a. Becoming a part of the company
   b. Growing progressively more loyal
   c. Staying abreast of product developments
   d. Developing new ideas that will increase sales

Information Sheet
on
AGRICULTURAL SALES

Selling has been defined as an act of assisting and persuading individuals or groups to make a decision to buy. It is a key function in most business endeavors and should be of mutual advantage to both buyer and seller. A good salesperson realizes that a high volume of sales insures his/her position and lowers the price of the product being sold. Becoming a good salesperson does not happen by accident. It is the result of sound training, either on a formal basis or through self instruction.

Americans spend 70 percent of their annual income in the approximately 700,000 retail stores in the United States. These businesses will always need employees who can sell. A good salesperson will not have trouble finding and keeping a job.

Becoming a Good Salesperson

The three basic ingredients of good salesmanship are a knowledge of people, product, and one's self. In order for a salesperson to completely understand others and to develop a good relationship, he/she must also have a good knowledge of himself/herself. It is also necessary to have a thorough knowledge of the selling process, firm, and product. This includes competitive products. Each of the ingredients are used to their greatest potential by good salespersons.

There are two basic ways in which one can learn to sell. First, and probably the best, is to learn by doing. This means learning from experience. This requires employment in a retail establishment and the making of sales directly to customers.

The second method is to observe a successful salesperson. This requires close observation of the methods used by a successful salesperson while sales are in progress. Such factors as customer approach, maintaining customer interest, product knowledge, demonstration of merchandise, meeting customer's objections, and closing the sale should be observed. Each of these are discussed in more detail in the topic on "Salesperson Evaluation."

A salesperson must develop a good sales attitude. This includes becoming a part of the company and growing progressively more loyal, staying abreast of product developments, and developing new ideas that will increase sales. A combination of study and experience can be used to become a better salesperson. Study involves classes at school, as well as constant review of materials provided by the manufacturer and the local business. Experience is a form of practice. With each successful and unsuccessful sale, the salesperson should attempt to use the experience and improve his/her selling ability.

The salesperson also has a knowledge of the psychology of selling. He/she is aware that a customer buys primarily because of need and desire. These are influenced by reason and emotion or a combination of the two; however, need, price, source, product needed, and time are decisions made by a customer before buying.

There are a number of advantages of a career in agricultural sales. Some are prestige, recognition of success, dealing directly with the public, helping others make decisions, and something new every day.

Developing a Sales Personality

In sales, as in other fields of employment, the personality of the salesperson is of utmost importance. The ability of a salesperson to sell himself/herself is directly related to the ability to sell a product. Diligence and perseverance also are necessary to become an aggressive, effective salesperson.

An effective sales personality includes the qualities listed and discussed below:

1. Sincerity - Sincerity creates an atmosphere of confidence on the part of the customer. Insincerity creates the opposite effect.
2. Tact - A tactful salesperson is one that brings about the proper atmosphere for making a sale and soothes conflict. Contradictions and conflicts injure pride and prevent sales.
3. Enthusiasm - This may be defined as something inspiring. It involves the entire body including facial and voice expressions and actions.
4. Courtesy - Good manners and behavior are attributes of a courteous person. They give a favorable first impression which is important in selling.
5. Cheerfulness - A cheerful salesperson meets customers with a smile whether he/she feels like smiling or not.
6. Initiative - This is defined as energy or aptitude displayed. The salesperson having initiative will make sales without prodding from employer.
7. Friendliness - A friendly personality puts the customer at ease and provides a mental state for buying.
8. Persistence - A persistent salesperson is one who continues to try to make the sale. Changing the approach to make a sale may prove successful and requires persistence. Being persistent does not suggest that the salesperson should be obnoxious.
9. Memory - Remembering name and other facts about a customer are helpful in making a sale.
10. Application - The wise salesperson attempts to improve by applying that which has been learned. An old adage is that "nothing is truly learned until it is put into practice".

TOPIC: MEETING THE CUSTOMER

OBJECTIVE: To acquaint the students with the factors that are important in meeting customers.

REFERENCE: Information Sheet, "Meeting the Customer"

ACTIVITY:

Lead a class discussion of the questions.

QUESTIONS AND ANSWERS:

1. Why is the first contact with a customer of utmost importance?
   The first impression is usually a lasting impression; therefore, it is important to the business that the first impression be a favorable one.

2. Why is the salesperson's attitude and enthusiasm important?
   Because they are detected by the customer.

Transparency No. 1

3. List factors that help a customer form a favorable impression of a business.
   a. Alertness
   b. Promptness
   c. Interest
   d. Enthusiasm
   e. Grooming
   f. Good manners
   g. Courtesy
   h. Clean, neat building
   i. Conveniently located merchandise

Transparency No. 2

4. List physical and psychological factors that cause a customer to want to purchase a product.
   a. Comfort
   b. Pleasure
   c. Appetite
   d. Possession
   e. Fear
   f. Devotion
   g. Curiosity
   h. Ornamentation
   i. Imitation
   j. Construction
   k. Loyalty

Transparency No. 3

5. List seven attitude qualities of a good salesperson.
   a. Professional feeling toward selling
   b. Constant courtesy
   c. Enthusiasm
   d. Interest in customer and his/her problems
   e. Willingness to develop self confidence

Meeting The Customer
(Questions & Answers continued)

f. Sincere attitude of service
g. Integrity

6. List three ways in which a salesperson should greet a customer.
    a. Conventional - "May I help you?"
    b. Question - "Is this cold weather affecting your milk production, Mr./Mrs. __________?"
    c. Stating a fact about merchandise - "We sure have been selling a lot of those lately."

Transparency No. 4

7. Have students select an item from a firm in which they work or are going to work and give from memory the following characteristics of the product.
    a. Trade name
    b. Its design
    c. Reasons for its design
    d. Special features
    e. Other forms available
    f. Guarantee

8. List the two distinct types of customers.
    a. One type is mildly interested in the product, has not made the decision to buy, and must be convinced that a definite need exists.
    b. The second type has decided there is a need for the product and may be undecided as to the kind to purchase.

Information Sheet
on
MEETING THE CUSTOMER

The first impression made by a person is usually a lasting one, and the impression a customer has of a business is often the result of the first contact with a salesperson. Therefore, it is very important that a salesperson favorably impress the customer. Such factors as alertness, promptness, interest, and enthusiasm are observed by customers and assist in the forming of a favorable impression. Grooming is also a factor. A well-groomed salesperson inspires customer confidence. Also, the salesperson's attitude and enthusiasm, which are expressed by words, actions, and expression, are detected by the customer and influence him/her.

The customer is a guest of the business and should be treated as such. Good manners and courtesy are important and should be practiced by salespersons and other employees. Also important are a clean, neat building and conveniently located merchandise. All aspects of a business which will maximize the opportunity of being of service should be considered by management.

A number of other factors are also important in meeting the customer. Some are listed below in the order in which they should be considered.

1. Preapproach preparation - These are preparations that should be made before the customer appears in the store.
    a. Customer information - It is not always possible for a salesperson to have this information, but when it is available, the salesperson has an advantage.
        (1) Name - address
        (2) Personal characteristics
        (3) Mental temperament
        (4) Hobbies and interest
        (5) Buying habits
    b. Sources of information - The above information may be secured by the following methods:
        (1) Participation in community activities and events
        (2) Chamber of commerce information
        (3) Comments made by civic club members and friends
        (4) Maintaining a file card on each customer
        (5) Past sales records, credit department records
    c. Business facilities and surroundings - These items also impress customers. The following should be maintained in the best condition as possible:
        (1) General appearance of business
        (2) Lighting
        (3) Equipment
        (4) Merchandise arrangement
        (5) Personal

- d. Salesperson preparation
  - (1) Neatness of appearance
  - (2) Knowledge of products
  - (3) Sales objectives
  - (4) Knowledge of advertisements

2. Timing the approach - This deals primarily with the salesperson.
   - (1) Promptness - A customer should be approached immediately after entering the business.
   - (2) Alertness - The salesperson must be a close and accurate observer in order to be alert.
   - (3) Interest in customers' problems - All the time needed to understand the customer's problem should be taken.

3. The proper approach (greeting the customer)
   - a. Type of salutations
     - (1) Conventional - may I help you ?
     - (2) Question - may I show you . . . ?
     - (3) Statement of fact about the product the customer is observing.
   - b. Elements of a salutation
     - (1) Courteous
     - (2) Short
     - (3) Emphasize the desire to serve
   - c. Tone of voice - pleasant, enthusiastic, distinct, articulate, and ordinary
   - d. Facial expression - pleasant smile and cheerful expression

Different physical and psychological factors, operating alone or together, motivate a customer to buy. Among these are comfort, pleasure, appetite, possession, fear, devotion, curiosity, ornamentation, imitation, construction, and loyalty.

The proper attitude is necessary if the student is to develop into a successful salesperson. Some factors in developing a good attitude are as follows:

1. Professional feeling toward selling
2. Constant courtesy
3. Enthusiasm for selling
4. Interest in customer and his/her problems
5. Willingness to develop self confidence
6. Sincere attitude of service
7. Integrity

Understanding the Customer

There are two distinct types of customers. One type is mildly interested in the product, has not made the decision to buy, and must be convinced a definite need exists for the product. With this type of customer, the salesperson also will have to create interest. A better job of salesmanship will be required to make the sale.

The second type has already decided the need for the product but may be undecided as to the kind (brand) to purchase. In this case, the customer must be sold on the superior feature of a product. Such factors as performance, appearance, quality, economy (time, labor, money), length of service, and prestige may be brought out. Often the naming of a person who has purchased the product is helpful.

TOPIC: PRESENTING SUPPLIES AND SERVICES

OBJECTIVE: To develop an understanding of the steps in completing a sale.

REFERENCE: Information Sheet, "Presenting Supplies and Services"

ACTIVITY:

Conduct a class discussion of questions and use transparencies in conducting discussion.

QUESTIONS AND ANSWERS:

Transparency No. 1

1. List the four psychological steps in making a sale.
   a. Getting attention
   b. Developing interest
   c. Kindling desire
   d. Inducing action on part of customer

2. Explain the difference between step one and step two.
   Getting one's attention is involuntary, while developing interest is the result of a voluntary reaction. Interest comes only when attention is prolonged voluntarily and requires concentration.

3. How is step three, or one's desire kindled?
   To kindle desire, the merits of an item must be combined with the needs or wants of the customer.

Transparency No. 2

4. List ways in which farmers may be induced to purchase.
   a. Increased yields
   b. Increased profits
   c. Increased efficiency
   d. Decreased labor

Transparency No. 3

5. List ways in which one might secure the attention of a prospective customer.
   a. Advertisements - Newspapers, radio, television, circulars.
   b. Word-of-mouth - Neighbors and friends have considerable clout with each other. The successful use of an item is an excellent recommendation.
   c. Displays - An attractive display is an attention getter.
   d. Feature articles - This may be classified as an advertisement by some, but reference is made to those articles which are not paid advertisements.

Transparency No. 4

Presenting Supplies and Services
(Questions & Answers continued)

6. How does a salesperson secure sales or buying action from a customer?
    a. Knowing the features of the product
    b. Answering all questions pertaining to product
    c. Demonstrating the product and stressing its advantages

Information Sheet
on
PRESENTING SUPPLIES AND SERVICES

Successful selling requires the seller to make an effective, careful presentation. There are four psychological steps in making a sale. These are (1) getting attention, (2) developing interest, (3) kindling desire, and (4) inducing action on the part of the customer. The successful salesperson recognizes the importance of each of these steps.

Attracting attention is quite different from developing interest. Attention is involuntary, and almost anything can be made to attract attention. Interest is the result of voluntary reactions on the part of the customer. Interest comes only when attention is prolonged voluntarily and requires concentration.

To kindle desire, the merits of an article must be combined with the needs or wants of the customer. The salesperson who has a complete understanding of the interest, needs, desires, and motivating factors that cause a customer to buy has a greater chance for success.

Ways in which customer attention is secured are as follows:

1.	Advertisements	-	Newspapers, radio, television, direct mail
2.	Word-of-mouth	-	Talking with neighbors and friends about the merits of an item. Provides prospective customer with names of friends having the product.
3.	Displays	-	Attractive displays are often used to secure customer attention.
4.	Feature articles	-	Attention to a product may be acquired or secured through the reading of a feature article on a subject.

Customers can progress from the attention, interest, and desire steps very rapidly at times with little or no encouragement. For example, a customer may see a new piece of equipment just the size and kind preferred; the desire develops. Often after the desire develops, the customer can rationalize the need. However, in many instances, the customer's desire must be kindled. This can usually be accomplished by the following:

1. Explaining the new features of a product
2. Inviting customer to a demonstration
3. Providing results from research and test trials
4. Providing names of people in community using a similar item.

Desire for a product may be created by examining the customer's needs and explaining how the product meets these needs. Sell the merit of a product, rather than its price.

To be able to present an item effectively, the salesperson must possess the following:

1. A knowledge of all features of a product (product knowledge);
2. Be able to answer or find the answer to all questions;
3. Be able to demonstrate use, operation, value, and advantages.

TOPIC: OVERCOMING SALES RESISTANCE

OBJECTIVE: To assist the students in developing an understanding of the reasons for sales resistance and methods of overcoming them.

REFERENCE: Information Sheet, "Overcoming Sales Resistance"

ACTIVITY:

Conduct a class discussion of the questions.

QUESTIONS AND ANSWERS:

1. What are the two sides for every sale?
   Since most customers cannot purchase everything wanted and needed, the customer must make a choice of purchases. The choice is made between one product and another, or one product and another form of pleasure.

2. What is the salesperson's primary responsibility?
   To convince the customer that his/her product will provide the pleasure, satisfaction, or need desired. If this cannot honestly be done, perhaps the sale should not be made.

3. What are the disadvantages of high pressure selling?
   High pressure selling invariably leads to ill will, dissatisfaction of the customer, and eliminates the possibility of repeat sales.

4. How should the salesperson handle the first objection made by the customer?
   Since the first objection is rarely the actual objection, the salesperson should attempt to identify the real reason for resistance and try to provide information that will erase or eliminate the objection.

Transparency No. 1

5. List the most common types of objections and ways in which they may be eliminated.
   a. Need - Stress usefulness of product.
   b. Quality - Show a better quality and point out special features.
   c. Source - Name satisfied customers; provide company information; explain misunderstandings courteously; and request a fair trial.
   d. Price - Reveal values; emphasize quality; and provide a less expensive product.
   e. Time - Show a positive interest and counter all objections.
   f. Thing - Show a suitable product and make objection an advantage for product.

Information Sheet
on
OVERCOMING SALES RESISTANCE

Since most people have difficulty making money and their possessions were not easily obtained, they have a "built-in," natural sales resistance. It is also natural for people to get as much as possible for money spent.

Sales might be described as having two sides or alternatives. When a customer makes a purchase, usually the possibility of purchasing something else is sacrificed. One cannot purchase everything desired or needed. Each sale means that a choice has been made between one product and another product, or one product and another form of service or pleasure. The customer must decide which of the choices will give the most satisfaction or pleasure.

It is the salesperson's job to convince the customer that his/her product or service will provide the pleasure, satisfaction, or needs of the customer. If this cannot honestly be done, perhaps the sale should not be made. Anything else is high pressure selling, which is unethical and cannot be classified as salesmanship. High pressure selling invariably leads to ill will and dissatisfaction and eliminates the possibility for repeat sales.

There are several reasons why customers are resistant to purchasing. The first objection presented by the customer is rarely the actual one. An attempt should be made to identify the real reason for such resistance and try to provide information that will erase or eliminate the objection. To do this, the salesperson will need to be well-informed of the merchandise or service offered.

Some of the most common types of objections and how they may be eliminated through an explanation are as follows:

1. Need - This may be overcome by stressing the usefulness and benefits of the product or service.
2. Quality - Objections to quality are overcome by two means:
    a. Showing a better quality.
    b. Pointing out special features.
3. Source - This objection is met by:
    a. Providing names and experiences of satisfied customers.
    b. Providing information about the company or referring to national advertising.
    c. Explaining misunderstandings courteously.
    d. Requesting a fair trial of the new firm or by offering something another firm does not handle.
4. Price - This objection is overcome by the following:
    a. Revealing hidden values - explaining values.
    b. Emphasizing quality or usefulness.
    c. Providing a product that is not as expensive and one that does not require as many features or selling points.

   d. Having a knowledge of competitor's product in order to answer any questions, or explaining differences in values.

5. Time - Objections of this type may be overcome as follows:
   a. Making a future appointment.
   b. Inviting customer to look at additional merchandise.
   c. Continuing to show a positive interest in the customer even if very busy.
   d. Handling objections promptly.
   e. Meeting all bonafide objections before attempting to close sale. Feelers should be made during the presentation to preclude objections for a reasonable closing of sale because of time.
6. Thing - Objections to the thing are overcome by:
   a. Showing more suitable product(s).
   b. Admitting the validity of objection but showing another feature to offset the objection.
   c. Admitting that objection is reasonable but showing that it does not really apply.
   d. Changing objection into an advantage for purchasing the item.
   e. Avoiding generalizations which are meaningless, contradiction of customer's statement, and the display of a negative or discouraging attitude.

TOPIC: CLOSING THE SALE

OBJECTIVE: To assist students in developing the ability to close a sale.

REFERENCE: Information Sheet, "Closing the Sale"

ACTIVITY:
Lead a class discussion of questions after reviewing information sheet.

QUESTIONS AND ANSWERS:

1. When does the closing of a sale start?
   At the beginning of the sales presentation. Trial closes are appropriate as the presentation proceeds.

2. What is the surest and quickest way to lose a sale?
   To misrepresent the facts.

3. When is the closing of a sale almost automatic?
   When a need for a product has definitely been established.

4. When is the best time to close the sale?
   Just after the customer has decided to buy.

Transparency No. 1

5. List conditions that precede a sale closing.
   a. The customer has exhibited attention, interest, and a desire for the product.
   b. A relationship between need and the product has been established.
   c. All important objections have been overcome.
   d. The price is low in comparison to value.
   e. The product meets the customer's approval.
   f. Customer has authority to make purchase.

6. What is the "choice method" of closing a sale.
   This allows the customer to make a minor decision based on the major decision to buy. Example: "Do you prefer the red or green, or would you prefer two or three dozen, or do you prefer sacks or paper bags?"

Transparency No. 2

7. List reasons for failure to close a sale.
   a. Salesperson assuming failure in the beginning.
   b. Hurrying the customer.
   c. Failure to assist customer in making decision.
   d. Failure to make an orderly presentation and overcoming obstacles.

   e. Stressing the wrong features.
   f. Forcing action.
   g. Being discourteous during sales process.

8. List important considerations for the salesperson when engaged in suggestive selling.
   a. Make definite suggestions to customer.
   b. Provide an acceptable justification for suggestions.
   c. Demonstrate merchandise thoroughly and unhurriedly.
   d. Do not overwhelm customer with more facts, decisions, etc. than he/she can comfortably handle.

Transparency No. 3

9. List precautions that should be taken by the salesperson in recording a sale.
   a. Write legibly.
   b. Check amounts, prices, etc. for accuracy
   c. List complete name and address of customer, particularly if a copy is to be filed or if merchandise is to be delivered.
   d. Record special directions needed to assist customer.

10. What is the final step in completing a sale and why is this step important? A courteous farewell and an expression of appreciation for the business. This is the first step in repeat sales.

Information Sheet
on
CLOSING THE SALE

Obviously, closing the sale is the most important of all the steps in the selling process. All of the efforts expended up to this point are of little value if the customer fails to make the purchase. Closing of the sale starts at the beginning of the sales presentation, and trial closes are appropriate as the presentation proceeds.

The salesperson has an active part in bringing about a favorable action on the part of the customer; however, his/her attitude must be one of helping the customer in making a wise decision. Many sales are lost because the salesperson fails to adapt the sales presentation to the needs and requirements of the customer. A mistake made by some salespersons and resented by the customer is haste in making a sale.

A salesperson should be mindful that he/she is performing a useful service. This service includes the offering of suggestions to customers who are not aware of their needs. Anyone can sell a customer something that is wanted. It takes a good salesperson to sell a customer needed items of which he/she is unaware.

Closing the sale is almost automatic after the need for a product has been definitely established. Another function of the salesperson is to assist the customer in making a decision. This is accomplished by making trial closures. The salesperson should be careful not to overlook this step. The best time to close the sale is just after the customer has decided to buy. Salespersons should always have order forms, finance charts, literature, and other pertinent facts necessary to close the sale.

Certain questions or reactions will indicate that the prospect is seriously considering buying. These indications are signals for the salesperson to try to close the sale, regardless of when they occur in the sales presentation. Below are some typical indications that the prospect is ready to buy:

1. A favorable response is given to the reasons given for buying now;
2. A favorable attitude is displayed toward the benefits described on a special trade allowance that is about to expire.
3. When the prospect asks, "Is this the best price you can make?" or "Has the make-ready service been performed?" or "Can you supply the product in a large quantity?" or "Can you remove certain unwanted items?"

Recognizing the above and similar indications that the prospect is about to buy and answering the questions satisfactorily may induce the prospect to buy. Salespersons should not become so absorbed in the sales presentation that they miss the customers' buying signals. Many salespersons lose sales because they do not know when to stop presenting features and ask for the order.

In any favorable sales presentation, there are certain times when an opportunity to close seems to naturally present itself. One of these times is the point when the salesperson and the prospect have reached substantial agreement and the prospect appears to be reasonably satisfied with the product. At this time, a favorable "psychological moment" exists, and the salesperson should ask for the order.

The decision to buy occurs after the following conditions have been met:

1. The customer has exhibited attention, interest, and a desire for the product;
2. A relationship between need and the product has been established;
3. All important objections have been overcome;
4. The price is low in comparison to value;
5. Product meets customer's approval; and
6. The customer has authority to make purchase.

The decision to buy is reached by progressing through certain steps during a sales presentation. Such steps include leading the customer to make a number of minor favorable decisions, making these decisions progressively more forceful, seeking agreement more frequently as the presentation progresses, and narrowing the selection. This is accomplished by concentrating upon items in which the customer is interested, removing merchandise in which the customer is not interested, repeating demonstrations in more detail, and soliciting the opinion of others. When asking for an order, the salesperson should use the "choice method," i.e., "Do you want two or three?"

The surest and quickest way to lose a sale is to misrepresent the facts. If the customer asks a direct question to which the salesperson does not know the answer, the salesperson should not bluff his/her way through the question. Bluffing will cause the customer to lose confidence in the salesperson, regardless of the superiority of the product. The salesperson should be honest and tell the customer that he/she is not sure of the information, but will obtain it immediately. The prospect's questions should be answered as quickly as possible. The answer can be skillfully used as a reason for calling a customer that is offering sales resistance. In any event, an unanswered question should not prevent the salesperson from continuing with the presentation.

Persistence

Many sales have been lost because of a lack of persistence on the part of the salesperson. If the salesperson feels that a prospect is about to buy, he/she should stay with the prospect until the sale is made. Customers admire a salesperson who has developed a degree of persistence. Some reasons for failing to make a sale are as follows:

1. Assuming the customer is not going to buy.

2. Hurrying the customer.
3. Failure to assist the customer in making a decision to buy.
4. Failure to make an orderly presentation (stumbling over sales obstacles).
5. Stressing the wrong features.
6. Forcing action.
7. Being discourteous during sales process.

When engaged in suggestive selling, the salesperson should include the following:

1. Make definite suggestions to the customer.
2. Provide an acceptable justification for the suggestions.
3. Demonstrate the merchandise thoroughly and unhurriedly.
4. Do not overwhelm the customer with more facts, decisions, etc. than he/she can comfortably handle.

There are a number of ways in which sales can be increased. Some of these are displaying related merchandise, handling larger quantities, handling better quality and higher-priced merchandise, introducing new merchandise, conducting special sales, demonstrating new uses for merchandise, and stocking merchandise for special occasions.

After the customer has decided to buy, the salesperson should use precaution in recording the sale:

1. Write legibly.
2. Check amounts, prices, etc. for accuracy.
3. List complete name and address of customer, particularly if a copy is to be filed or if merchandise is to be delivered.
4. Record special directions needed to assist customer.

If the cash register is used, the salesperson should place the bill on the cash register shelf and count out change. The bill should not be placed in the cash register until the customer is satisfied that he/she has received the correct change. Most modern cash registers will indicate the amount of change due the customer.

The closing of the cash register does not complete the sale, as the salesperson should give the customer a courteous farewell and express appreciation for the business. This is the first step for repeat sales. Also, the similar farewell should be given the customer if a purchase is not made.

TOPIC: EVALUATING THE SALESPERSON

OBJECTIVE: To acquaint the students with a salesperson evaluation instrument and to encourage a self evaluation of those training for a career in sales.

REFERENCE: Information Sheet, "Evaluating the Salesperson"

ACTIVITIES:

Transparency Nos. 1a, 1b, 1c, and 1d

1. Mimeograph copies of the Salesperson Evaluation and ask students to conduct an evaluation of a salesperson with whom they are acquainted or observed.
2. Have students training in sales conduct a self evaluation, using the evaluation instrument.
3. Use transparencies to explain the different parts of the evaluation instrument.
4. Request students using the self evaluation to select three of the items on the left of the instrument in which they feel improvement is needed and outline ways in which they can improve.

Information Sheet
on
EVALUATING THE SALESPERSON

Constant analysis of sales makes a "scientific salesperson." This includes planning and executing sales and reviewing successes and failures. The knowledge acquired from a sale, whether it was a success of failure, should be applied to the next customer or sale.

The evaluation below may be used to evaluate salespersons with whom the students are acquainted, or as a self evaluation for students training for a career in sales.

EVALUATING THE SALESPERSON

CUSTOMER APPROACH	Very Effective	Partially Effective	Not Effective
1. Approached Customer Promptly			
a. Was on the lookout for customers			
b. Stopped what he/she was doing			
c. Approached the customer mentally and physically			
2. Welcomed The Customer			
a. Smiled			
b. Used appropriate approach			
c. Treated the customer as a guest			
3. Helped To Start Conversation			
a. Adapted himself/herself to situation			
b. Made comment about the merchandise			
c. Anticipated customer's interest			
MAINTAINING CUSTOMER INTEREST			
1. Studied The Customer			
a. Did not jump to conclusions concerning customer's interest			
b. Sized up what would interest customer			
c. Made positive statements to reveal customer's interest			
d. Determined customer's buying motive			
e. Stimulated customer's want or desire for the merchandise			

Evaluating the Salesperson
(Information Sheet continued)

		Very Effective	Partially Effective	Not Effective
2.	Displayed Merchandise Effectively			
a.	Made merchandise stand out			
b.	Handled merchandise appreciatively			
c.	Appealed to customer's senses			
d.	Showed merchandise in good light, at eye level, on all sides			
3.	Stressed Customer Benefits			
a.	Showed customer how he/she would gain			
b.	Showed customer how he/she would be served			
c.	Showed customer benefits of owning			
d.	Stressed to customer how merchandise would meet his/her problems			
e.	Gave selling points convincingly			
4.	Used Demonstration			
a.	Encouraged customer to handle merchandise			
b.	Interpreted value of merchandise in terms of dollars invested			
c.	Dramatized features of merchandise			
d.	Used showmanship advantageously			
e.	Secured customer's participation			
	MEETING OBJECTIVES			
1.	Allowed Customer To State Objections			
a.	Let customer object fully			
b.	Did not interrupt			
c.	Understood customer			
d.	Removed one objection at a time			
e.	Did not argue			
2.	Was Prepared To Meet Objections			
a.	Did not hesitate			
b.	Had right, complete answers			
c.	Concentrated on what was coming next			
d.	Retained control of situation			
e.	Discovered real, underlying objection			
3.	Anticipated Objections			
a.	Welcomed customer objections			
b.	Created customer confidence			
c.	Convinced customer he/she needed merchandise			
d.	Convinced customer he/she could afford merchandise			
e.	Convinced customer his/her selection was wise			

Evaluating the Salesperson
(Information Sheet continued)

		Very Effective	Partially Effective	Not Effective
4.	Turned Objections Into Selling Points			
a.	Used customer's own objections to heighten interest			
b.	Clarified objections			
c.	Translated objections into reasons			
d.	Used objections to clinch a sale			
e.	Used objections to establish customer confidence			
CLOSING THE SALE				
1.	Narrowed The Choice			
a.	Listened to customer's comments			
b.	Compared items			
c.	Eliminated rejected items			
d.	Removed unwanted items			
e.	Used testimonials			
2.	Established A Choice			
a.	Asked for customer agreement			
b.	Used power of words as which, let's, etc.			
c.	Suggested or assumed a decision			
d.	Presented favorable alternatives			
e.	Used terms or special services as an inducement			
3.	Knew When Customer Was Ready To Buy			
a.	By facial expressions			
b.	By positive interested actions			
c.	By indirect agreement			
d.	By weak objections			
e.	By customer's question			
4.	Asked For Action			
a.	Concentrated on item being sold			
b.	Restated either part or all of the selling points			
c.	Stressed benefits			
d.	Asked a direct statement to secure action			
e.	Asked for the sale			

TOPIC: CREDIT AND ITS IMPORTANCE

OBJECTIVE: To acquaint students with the importance of credit, classification of credit, and the establishment of credit policies.

REFERENCE: Information sheet, "Credit and Its Importance"

ACTIVITIES:

1. Invite a bank representative to discuss the importance of credit and credit policies.
2. Lead a discussion of questions.

QUESTIONS AND ANSWERS:

1. What is the primary objective of most businesses?
   To increase income, which usually requires an increase of resources (capital, equipment, land, and facilities). To increase resources, usually credit is required.

   Transparency No. 1

2. Explain the difference between working capital and operating capital.
   Working capital is money invested in machinery, equipment, or inventory; while operating capital is used to operate the business. Expenses such as labor, utilities, and rent require the use of operating capital.

3. Distinguish between production credit and consumption credit.
   Production credit is used to increase volume of business or improve efficiency, which should increase income. Consumption credit is used by the owner's family and might be referred to as living expenses.

4. When is production credit justifiable?
   When the estimated increase in production will increase profits.

5. What is the basis for classifying loans?
   According to the period of use

6. List the classification of loans and period of use for each classification.
   a. Long-term - 8 to 40 years
   b. Intermediate - 1 to 5 years
   c. Short-term - one year or less

   Transparency No. 2

Credit and its Importance
(Questions & Answers continued)

7. List factors that are considered by the lender when reviewing a loan application.
   a. Three c's (character, capacity, and capital)
   b. Borrower's risk-bearing ability
   c. Type of business
   d. Volume of business
   e. Income distribution
   f. Owner's living expenses

Transparency No. 3

8. What are the factors that should be considered in determining the amount of money to borrow?
   a. Long-term outlook of business;
   b. Lender's attitude toward conditions over which the borrower has no control;
   c. Interest rate;
   d. Repayment plan;
   e. Possible abnormal expenses during repayment period;
   f. Expected increase in business from the additional resources; and
   g. Present facilities for handling an increased volume.

Transparency No. 4

9. List the advantage of a business extending credit.
   a. More people visit business;
   b. Increases sales;
   c. Increases unit sales;
   d. Increases income;
   e. Increases profits; and
   f. Places business in a more competitive position.

10. What are the recommended limits of credit sales for new and old, well-established businesses?
    New business - 30% of total sales
    Old business - 75% of total sales

11. When should bad debts be written-off?
    In the year in which they occur.

12. If a customer fails to pay his/her account, when should a second statement be sent?
    Before the first of the next month

Information Sheet
on
CREDIT AND ITS IMPORTANCE

Management of finances is probably the most important function of the manager of an agricultural business. Regardless of the amount of technical knowledge that a business manager might have, the business will not be successful unless the manager is a competent manager of money. Careful planning of finances is more important than planning other aspects of a business, although all planning is important. Some very good businesses have taken bankruptcy because of the manager's inability to manage money.

The primary objective of most businesses is to increase their income; and in order for a business to increase its income, it must increase production efficiency or volume of business. Both generally require an increase in resources (capital, equipment, land, and facilities). The importance of credit cannot be overemphasized. If all sources of credit would suddenly become nonexistent, business would cease.

The salary of management in the competitive American system is directly related to the amount of capital invested. Numerous research reports have proven that the more invested, generally the more profits one can expect. In order for businesses to make the profits desired, they must borrow money.

Money borrowed to increase volume of business through an expansion of a building or to acquire land is referred to as real estate capital. There are two kinds of non-real estate capital, working capital and operating capital. Working capital is money invested in machinery, equipment and/or merchandise; while operating capital is used to operate the business. Expenses such as labor, utilities, and rent are examples.

Kinds of Credit

Credit may be classified as either production or consumption. Production credit is used to increase volume of business or efficiency, i.e., to increase income. Production credit is justified when the estimated increase in production will increase profits. Production credit is used to purchase equipment, enlarge existing business, increase inventory, handle a larger volume of merchandise, and/or handle new lines.

Consumption credit, consumer credit, is used to purchase consumable items used by the family of the owner of the business. It does not contribute to the agricultural business and can limit the amount of production credit that may be borrowed . Installment loans for household furniture and credit card purchases are examples.

Credit Classification

According to the period of use, credit may be classified as long-term loans, intermediate loans, and short-term loans.

Long-term loans are used to purchase land and buildings and are for a period of eight to 40 years. The interest rates of long-term loans are generally less than those of intermediate and short-term loans. A real estate mortgage normally serves as collateral for this kind of loan.

Intermediate loans extend for a period of one to five years and are made to businesses to purchase equipment. Examples would be truck, forklift, refrigeration, and fertilizer distributors.

Short-term loans are made for a period of one year or less. These are used by businesses to purchase inventory items. Some businesses with good reputations are able to borrow short-term money without using a mortgage as collateral. This type is often referred to as a signature loan, since the borrower signs a promissory note.

Basis for Credit

Several factors are considered when the lender reviews the prospective borrower's loan application. The first factors usually considered are the three C's (character, capacity, and capital). Other factors to be considered are the businesses' risk-bearing ability, type of business, volume of business, income distribution, and owner's living expenses.

Businesses applying for extensive credit are often required to furnish a net worth statement, which is a listing of assets and liabilities. Using the net worth statement, the lender determines the solvency ratio of the business, ratio of assets to liabilities. The solvency ratio may be expressed as being 3:1, which means that for each $3.00 of assets the borrower has $1.00 in liabilities. This is determined by dividing the total liabilities into total assets. A solvency ratio of 3:1 is considered a desirable ratio, while a ratio of 1:1 is less desirable. Lending money to an individual with a 1:1 solvency ratio would be risky.

Determining Amount of Credit Needed

There is always a certain amount of risk when money is borrowed, but the borrower, as well as the lender, should attempt to keep risk at a minimum. As debt increases, risk also increases. There are two basic principles which should govern a manager in borrowing money: (1) Do not borrow until the risk can be afforded; and (2) Borrow early in career, but only after it has been proven the manager can successfully operate a large unit requiring a large capital investment.

Credit and its Importance
(Information Sheet continued)

Several factors should be considered in determining the amount of credit needed or requested:

1. Long-term outlook of business;
2. Lender's attitude toward conditions over which the borrower has no control;
3. Interest rate;
4. Repayment plan;
5. Possible abnormal expenses during repayment period;
6. Expected increase in business from the additional resources; and
7. Present facilities for handling an increased volume.

Extending Credit

Up to this point, the discussion has dealt with the borrowing of money by businesses. The remainder of the topic deals with the extending of credit. The business manager is now on the other side of the desk.

Regardless of the size of a business, certain credit policies must be established and adhered to. If the business is an established business that has been operating for several years, established credit policies are usually continued, as policies once established are difficult to change without alienating customers. The operator of a new business should make a thorough study of the credit situation before adopting policies.

Since managers of businesses have found that the advantages of extending credit outweigh the disadvantages, most businesses extend credit. Advantages of extending credit are as follows:

1. More people visit business;
2. Increases sales;
3. Increases unit sales;
4. Increases income;
5. Increases profits; and
6. Places business in a more competitive position.

After a business has decided to extend credit, there are several things which should be known about the customer before extending credit. Some are the customer's moral responsibility, history of debts, and financial status.

Another decision the manager must make is whether to accept the widely used credit cards or not. Both advantages and disadvantages are offered for businesses accepting credit cards. The advantages are listed below:

1. Makes possible the extending of credit without possibility of losses.
2. Payment is received within a short period of time. The business' account is credited with the amount of the credit card sales as soon as it it is taken to the cooperating bank.

3. No responsibility is assumed for collecting.
4. No need to check the customer's credit rating.
5. Expense and time required for keeping books on credit sales are eliminated.

Disadvantages of credit card sales are given below:

1. The five percent service charge reduces profits on credit card sales.
2. Less than one-half of one percent is the average loss from credit customers.

Credit and Collection Policies

The list below includes considerations that should be helpful in establishing credit and collection policies:

1. Select policies suitable for business and adhere to them. Generally, credit sales should be limited to 30% of total sales for new businesses and not over 75% for old, well-established businesses.
2. Name, residence, place of business, business phone, and at least two references should be secured from credit customers.
3. People making phone orders should be thoroughly checked before filling orders.
4. Become a member of local merchants' association.
5. A day of the month should be selected to close accounts, and it should be used consistently. The 25th of the month is a good date.
6. Statements should be mailed monthly.
7. Unpaid accounts should be checked at regular intervals.
8. A second statement should follow before the first of the next month if the account is still unpaid.
9. If the account is still unpaid, a follow-up statement should be sent by the 15th of the month.
10. A service charge of 1% should be added to the account if the account has not been paid by the end of 30 days after billing the first time.
11. Bills that are not eventually paid should be turned over to a collection agency. This should be used as a last resort.
12. Bad debts should be written off in the year in which they occur. Bad debts should be kept below 1/2 of 1%.
13. Records of credit sales should be kept accurately.

TOPIC: CREDIT INSTRUMENTS

OBJECTIVE: To acquaint students with unsecured and secured credit instruments and their proper uses.

REFERENCE: Information Sheet, "Credit Instruments"

ACTIVITIES:

1. Secure blank credit instrument forms and complete each of the forms in class.
2. Lead a class discussion of the questions.

QUESTIONS AND ANSWERS:

1. List the two classifications of credit instruments and list the instruments used for each.
    a. Unsecured - Checks, drafts, and promissory note
    b. Secured - Mortgage, bill of lading, and warehouse receipt

2. What are some of the advantages of using a check rather than cash when making payments?
    a. Less danger of loss and theft.
    b. A check is evidence of payment, although it is not a receipt.
    c. Record keeping is easier.

Transparency No. 1

3. In what ways is a draft similar to a check?
A draft is written by the maker, but it is charged by the bank to a third person who has previously made arrangements with the bank to accept the charges of the draft. The draft may be drawn on a lending institution.

Transparency No. 2

4. What is a promissory note?
It is a signed, written promise that the debtor will pay a specific sum of money to a designated person or firm on or before a certain date.

Transparency No. 3

5. What is a bill of lading and how is it used?
A bill of lading is a contract or receipt signed by a common carrier (railroad or trucker) who agrees to deliver described freight to a given person or firm at a stipulated place. It serves as evidence that the carrier has received the product(s) described. A bill of lading is used by businesses as collateral for credit, or it may be attached to a draft and sent to the buyer's bank for payment. The seller's bank often will credit the seller's account an amount based on the bill of lading.

Transparency No. 4

6. What is a warehouse receipt and how is it used?
A warehouse receipt describes the products stored in the warehouse. It is often used as collateral for loans and is an agreement between the owner and the warehouse. The receipt usually contains the terms of the agreement, location of warehouse, date of agreement, lot number, delivery date, description of products, signature of warehouse manager, and claims or liens against products.

Transparency No. 5

7. What is a chattel mortgage and how is it used?
The term chattel is an item of tangible movable or immovable property such as livestock, crops, and equipment. A chattel mortgage is used as a form of security for short-term credit. It allows the owner use of mortgaged personal property and at the same time the lender a security interest.

8. What is a lien? List two kinds.
A lien is a claim against property for the payment of a debt.
   a. Vendor's lien
   b. Mechanic's lien

9. What is a real property mortgage?
A mortgage on immovable property such as land or other real estate.

10. What is a deed of trust?
A written document which conveys the title of property to a third person to hold in trust as security until repayment of the loan is made.

11. Define the term usury.
The act of lending money at a very high or unlawfully high interest rate.

Information Sheet
on
CREDIT INSTRUMENTS

In order for a borrower and lender to be protected, there must be some kind of a legal instrument to serve as evidence that a loan has been made and to specify the repayment agreement of the loan. This evidence is usually in the form of a written agreement called a credit instrument. Several types of credit instruments are used by businesses. Each instrument has been developed to facilitate the use of credit, increase business, increase production, and protect the borrower and lender.

Paper money, "bills," is an instrument used to transfer cash, while checks, drafts, promissory notes, warehouse receipts, bills of lading, chattel mortgages, and real property mortgages are instruments used for credit.

Secured and Other Credit Instruments

Credit instruments may be classified as to two types, secured and unsecured. Checks, drafts, and promissory notes are unsecured, while mortgages, liens, warehouse receipts, and bills of lading are secured instruments of credit.

An explanation of unsecured credit instruments is as follows:

1. Check - A check is a signed written order on a bank to pay a certain sum of money on demand to the bearer of the check or to the order of the named person on the check. There are several advantages of making payments by checks rather than using cash:
    (1) There is less danger of loss or theft than when carrying money or sending it through the mail,
    (2) The canceled check is not a receipt, but it is good evidence of payment, and
    (3) Record keeping is much easier if checks are used.

2. Draft - A draft, being very similar to a check, is charged by the bank to a third person who has previously made arrangements with the bank to accept the charges of the draft. It is not uncommon for businesses to make an agreement with a financial institution to honor drafts drawn on the institution. An example of a draft is shown in Transparency No. 1.

3. Promissory Note - The promissory note is a signed, written promise that the debtor will pay a specified sum to a designated person or firm. It is one form of a written contract that is used as security for borrowing money, or purchasing goods or services on the credit. The promissory note is signed by one or more persons and states the interest rate, payment date(s), and the party to whom payment(s) will be made. A sample promissory note is shown in the transparencies.

Texas law permits a Confession of Judgment clause in promissory notes. This permits the creditor to take judgment without serving a process or being delayed by a trial. Should the creditor have difficulty collecting the loan, an amount is usually stipulated in the note for collection expenses and attorney fees. These additional fees usually amount to ten percent of the loan.

Explanations of secured credit instruments are given below:

1. Bill of Lading - The bill of lading is a contract or receipt signed by a common carrier (railroad or trucker) who agrees to deliver described freight to a given person or firm at a stated place. The bill of lading serves as evidence that the carrier has received the products described. The order type and the straight type are the two types. While the order type may be used as security, the straight type is non-negotiable.

   Bills of lading are used by businesses as collateral for credit, or they may be attached to a draft and sent to the buyer's bank for payment. Often the seller's bank will pay the seller an amount based on a bill of lading and will send a draft and the bill of lading to the buyer's bank for payment; the buyer is notified and must honor the draft before the carrier will deliver the products. By honoring the draft, the buyer is entitled to the bill of lading, which he presents to the carrier.

2. Warehouse Receipt - A warehouse receipt describes the products stored in a warehouse and is signed by the warehouse manager or a designated employee. Farmers use the warehouse receipt more often than other types of businesses. The warehouse receipt, often used by farmers as collateral for loans, is an agreement between the owner and the warehouse. The receipt usually contains the terms of the agreement, location of warehouse, date of agreement, lot number, delivery date, description of products, signature of warehouse manager, and claim or liens the warehouse might have against goods.

3. Chattel Mortgage - A chattel mortgage is a common form of security used by businesses, farmers, and ranchers to make short-term credit purchases. Personal property (livestock, household furnishings, planted crops, and equipment) is used as collateral for chattel mortgages. This type of mortgage allows the debtor possession and use of the mortgaged personal property; and at the same time, it gives the lender a security interest which is superior to other rights.

4. Lien - A lien is a claim against property for the payment of a debt. A person may secure a lien by performing certain services, defined by many states' statutes, until he has received payment for his services. If the charge goes unpaid, the person holding the lien may sell the property to secure payment of debt. A vendor's lien and a mechanic's lien are two types of liens used most often by farmers.

5. Real Property Mortgage - A real property mortgage is a mortgage on immovable property such as land or other real estate. A mortgage must be in writing and must conform to state laws. A real property mortgage describes the parties entering into the agreement, the property, and the debt the mortgage secures. Some real property mortgages contain other information such as foreclosure procedures, conditions of default, payment of taxes, assignment of fee payments, assignment of loan negotiation expenses, property releases, assignment of insurance payments, and amount of insurance carried by mortgager.

   After the mortgage has been paid, the owner should secure the note marked "paid" and a "Satisfaction of Mortgage," a release from the lender stating that the mortgage has been paid in full. The owner should also have the release recorded in the county clerk's office in which the mortgage was recorded. After the release is recorded, the mortgage is canceled.

6. Deed of Trust - A deed of trust is an instrument conveying the title of property to a third person to hold in trust as security until the repayment of all the loan is made. A deed of trust is used when several people or firms lend money on a given piece of property. A deed of trust is similar to a real property mortgage, and the legality and foreclosure procedures are the same.

Usury Laws

The term usury laws has been used frequently during the period of increasing and high interest rates. However, usury is not a new term. In Biblical times, payments for the use of money were called usury and were prohibited. In modern day terminology, usury is defined as the act of lending money at a very high or unlawfully high interest rate.

Most states have usury laws which stipulate the maximum rates of interest that may be charged for certain types of loans. The Federal Land Banks, Production Credit Associations, Farmers Home Administration, and Small Business Administration are exempt from state usury laws.

TOPIC: PRINCIPLES OF BORROWING MONEY

OBJECTIVE: To familiarize students with the procedures used in selecting a lender, factors that are considered by lenders in making loans, and the wise use of credit.

REFERENCE: Information Sheet, "Principles of Borrowing Money"

ACTIVITIES:

1. Ask students to complete the rating sheet for determining risk included in the information sheet.
2. Ask a local lending institution representative to discuss the institution's lending policies and procedures before class.

QUESTIONS AND ANSWERS:

Transparency No. 1

1. List factors that should be considered by a borrower in selecting a lending institution.
    a. Lending institution representative's knowledge of the business and its problems.
    b. Lending institution representative's experience in handling credit of a similar nature.
    c. Reputation of lending institution.
    d. Loan policies (interest rates, repayment schedule, closing cost, penalty clause, optional prepayment clause, and policy regarding failure to meet payment because of circumstances beyond borrower's control).
    e. Date loan would be advanced.
    f. Possibility of increasing loan.
    g. Availability of credit for other purposes.

2. Why are many loan applications not approved?
   Because borrower does not present details of operation and the advantages of expanding effectively.

3. List information that should be presented to lender when making a presentation for a loan.
    a. Business plans
    b. Business records (profit and loss statement, net worth statement, and financial history)
    c. Terms of loan
    d. Method of repayment

Transparency No. 2

Principles of Borrowing Money
(Questions & Answers continued)

4. List ways in which borrower can minimize risk.
   a. Loans should be for purpose of increasing income.
   b. Limiting amount borrowed on new or unfamiliar business ventures.
   c. Keeping debt as small as possible while still maintaining efficiency.
   d. Keeping abreast of business trends.
   e. Maintaining proper debt-net worth ratio.
   f. Maintaining debt-income relationship.
   g. Selecting lender based on dependability and terms of loan.
   h. Having a definite repayment schedule.
   i. By being businesslike, fair, and frank.
   j. Carrying adequate insurance.

5. List three factors that should be estimated in determining the amount of annual payments.
   a. Operating expenses
   b. Living expenses
   c. Allowance for emergency

6. List the different kinds of repayment plans and explain each.
   a. Lump-sum payment - one payment which includes loan and interest.
   b. Amortization plan - Equal payments are paid monthly for the period of the loan. A part of each payment goes to principal and a part to interest.
   c. Equal payment plan - Equal payments are made either monthly, quarterly, semi-annually, or annually for the period of the loan.
   d. Decreasing payment plan - Each payment requires a specific amount of principal, but the amount of interest is less on each succeeding payment because the interest is calculated on the unpaid balance.
   e. Balloon plan - Interest payments are made at designated times, while the principal is paid in a lump-sum. Due date for principal may be several years.

7. What should determine the term of the loan?
   The length of usefulness of the item purchased, and the length of time required to repay the loan from normal income.

8. Explain debt-equity ratio.
   The ratio of that which is owned to that which is borrowed.

Information Sheet
on
PRINCIPLES OF BORROWING MONEY

Most agricultural businesses must borrow money in order to expand and increase income. However, the decision to expand on borrowed capital is not easily reached. A careful examination of alternatives available must be made, and the best one for a particular situation must be chosen.

When seeking a loan, the manager must be prepared to fully explain the benefits and risks to potential lenders. Many loan applications are not approved because the borrower does not present the details of his/her operation and the advantages of expanding effectively. In order to be effective, the presentation must be organized; and the details of the operation should be in writing. Lenders are concerned about the benefits and risks provided by a loan, a logical presentation of facts, and the desires concerning specific agreements in the loan contract.

Information that should be included in the presentation are (1) business plans, (2) business records (profit and loss statement, net worth statement, and financial history), (3) terms of loan, and (4) method of repayment.

Several sources of credit should be investigated by the borrower before selecting a lender. The selection should be based on the one that best meets the needs of the borrower.

Credit Factors

Factors that should be considered in selecting a lender are as follows:

1. Lending institution representative's knowledge of the business and its problems;
2. Lending institution representative's experience in handling credit of a similar nature;
3. Reputation of lending institution;
4. Loan policies (interest rate, repayment schedule, closing cost, penalty clause, optional prepayment clause, and policy regarding failure to meet payment because of circumstances beyond borrower's control);
5. Date loan advanced;
6. Possibility of increasing loan; and
7. Availability of credit for other purposes.

Since large loan applications are normally reviewed by a loan committee, it is important that the borrower have accurate and complete records of items presented to the loan representative. However, the recommendations of the representative are usually followed. Some factors that are considered by the loan committee are listed below:

1. Will the expansion of the business provide a return sufficient to make the loan profitable?

2. Does borrower have the capacity to repay loan?
3. Does the borrower agree to the terms of the loan contract and/or mortgage?
4. Does the borrower possess the risk-bearing ability to meet loan payments and to "weather" financial uncertainties?

Answering the questions on the rating sheet below will help the manager or owner of an agricultural business determine if the business is a good credit risk. If there are many "no" answers, the manager might find it embarrassing to answer the questions of a lender.

RATING SHEET FOR DETERMINING CREDIT RISK

(Questions regarding family are very important)

		YES	NO
1.	Can manager/owner show that the proposed loan will provide enough extra profit to meet interest and principal payments?	___	___
2.	Do the family members assist in business?	___	___
3.	Does manager/owner keep well informed of business trends that will increase earnings?	___	___
4.	Do family members take good care of equipment and other items used in the business?	___	___
5.	Do family members make it a practice to pay bills promptly?	___	___
6.	If family members are unable to pay, do they promptly explain their situation to lender and tell him/her what they can do?	___	___
7.	Does family try to get most of their credit from one source, so as not to jeopardize the main line of credit?	___	___
8.	Can the family reduce expenses when necessary even if income is increased?	___	___
9.	Are suggestions from lender welcomed by family?	___	___
10.	Does the family maintain a reserve (cash and liquid assets) large enough to meet minor emergencies?	___	___

Questions Concerning Business

1.	Have long-term and annual business goals been developed?	___	___
2.	Is the volume of business large enough to provide an income for the standard of living desired?	___	___
3.	Does the business presently have the facilities and equipment for maximum profits?	___	___
4.	Can the business be adjusted to meet emergency situations and still make a reasonable profit?	___	___
5.	Will there be enough money left after payments of interest and principal to maintain facilities and equipment in a good state of repair?	___	___

Questions Regarding Business Records

		YES	NO
1.	Are good records kept?	___	___
2.	Do records reveal money made and lost for each department?	___	___
3.	Are records available that will readily show earnings from business for last several years?	___	___
4.	Will records provide information necessary to prepare a financial statement (assets, liabilities, and net worth)?	___	___

Questions Regarding Loan

1.	Will the money proposed to borrow increase net income?	___	___
2.	Does business avoid borrowing on short-term notes when long-term ones would be better geared to expected income?	___	___
3.	Are credit needs anticipated a year in advance and are cash flow projections prepared?	___	___

Sound and Wise Use of Credit

Since there is a chance the borrower will fail to meet the financial obligations of a loan and will lose all that is owned, the borrower has much greater risk than does the lender. The borrower, however, can minimize risk by applying the following rules:

1. Borrowing for the purpose of increasing income.
   Loans that do not increase income reduce the amount of credit that can be secured.
2. Limiting amount borrowed on new or unfamiliar business ventures.
3. Keeping debt as small as possible while still maintaining efficiency.
4. Keeping abreast of business trends.
   Business trends should govern management decisions. A rule of thumb that is often applicable is if margins or profits are unusually high when a loan is secured, repayment for most of the loan will be made from lower margins or smaller profits.
5. Maintaining proper debt - net worth ratio.
   This is also called debt-equity ratio and is the ratio of that which is owned to that which is borrowed. Lenders prefer a ratio of 1:1 or less. A ratio of less than 1:1 indicates the owner's net worth exceeds the amount borrowed. Profitability of a business determines the risk involved. A business showing a decline in the debt-net worth ratio has either excessive expenditures or is an inefficient operation.
6. Maintaining debt-income relationship.
   Estimated income should be the basis for determining the amount to borrow. Income must be greater than principal and interest payments.

7. Selecting lender based on dependability and terms of loan.
   It pays to "shop" for a loan. The willingness of the lender is an important consideration.
8. Having a definite repayment schedule.
   Loan should be repaid on a definite repayment schedule.
9. By being businesslike, fair, and frank.
   Loan payments should be made promptly. If conditions prevent a payment when due, borrower should discuss situation with lender in advance of due date. At this time, the borrower should be able to say what can be done toward making the payment.
10. Carrying adequate insurance.
    Property, liability, and life insurance provide partial protection against risk. Term insurance, without endowment provisions, is frequently used as a form of protection.

Loan Repayment Terms

Terms of a loan (repayment plan, period of loan, and interest rate) should be adapted to the earnings or permanence of buildings and equipment. Buildings have a lifetime expectancy of 20 to 40 years, while equipment will become obsolete or wear out in five to ten years. The term of loans for these items will be different.

The term of a loan should not be for a longer period than the item's usefulness; however, the term should be long enough for normal income to be used as repayment. In determining annual payments, operating expenses, living expenses, and allowances for an emergency should be estimated. The amount remaining is an indication of the size of the annual payment.

Several different repayment plans are used in retiring loans. Some are lump-sum payment, amortization plan, equal payment plan, decreasing payment plan, and balloon payment plan.

When the amortization plan is used, an equal amount is paid monthly for the term of the loan. The equal payment plan requires the borrower to make equal payments for the period of the loan; the payments may be made monthly, quarterly, semi-annually, or annually.

The decreasing payment plan requires a specific payment of principal, while interest is always charged on the unpaid balance. A lesser amount is paid each succeeding payment because of the reduction of interest.

When the balloon plan is used, interest payments are made at designated times; and the principal is paid in a lump sum. The principal due date may be from one to five years.

Principles of Borrowing Money
(Information Sheet continued)

Regardless of the repayment plan used, the borrower should select a lender whose policy will permit an optional pre-payment. This permits the borrower to pay all or any part of the loan any time before due date without penalty. Many lenders object to this because of the expenses incurred in making a loan and their desire to keep money invested long enough to return expenses and make a profit.

TOPIC: BUSINESS RECORD ACCOUNTS

OBJECTIVE: To familiarize the students with the procedures used in determining account titles.

REFERENCES: Information Sheet "Business Record Accounts"
Topic 60, "Business Records"

ACTIVITY:

Lead a class discussion of the questions and different accounts listed in the information sheets.

QUESTIONS AND ANSWERS:

Transparency No. 1

1. List some of the records that should be kept.
    a. Account of financial breakdown
        1. Current assets
        2. Fixed assets
        3. Liabilities
        4. Net worth
        5. Revenues
        6. Expenses
    b. Organizational activities accounts
    c. Time cards
    d. Order records
    e. Profit and loss statement
    f. Balance sheet
    g. Inventory records
    h. Depreciation records
    i. Income tax and social security records
    j. Employee benefits (vacation, sick leave, etc.)

2. Why are codes used rather than subtitles in an account book?
This eliminates having to write the subtitle when entering an item in the account book.

Transparency Nos. 2a and 2b

3. Review the subtitles shown in the accounts by financial breakdown and accounts of organizational activities and ask students to delete and add subtitles based on accounts kept in the business where they are training.

4. What is the purpose of keeping accounts of organizational activities?
To secure information about each business activity or department in the business.

Transparency No. 3

5. How is the time card used in a business record system?
The time card provides information needed for a part of the expense records. These expenses would be listed under codes 301, 302, 303, and 304.

Transparency No. 4

6. How is depreciation or accelerated cost recovery system used by a business?
To recover capital expenses over a period of time.

Information Sheet
on
BUSINESS RECORD ACCOUNTS

The first step in establishing an accounting system is to prepare a complete list of account titles. The basis for determining account titles is the nature of business operation, management needs, and statute requirements.

There will be differences in the records kept by different businesses, but most accounts can be placed in two classifications: financial breakdown and organizational breakdown.

The accounts by financial breakdown include current assets, fixed assets, current liabilities, net worth, revenues, and expenses. The code shown to the left of each subtitle in each group is used in posting the account book. The code prevents the necessity of having to write the subtitles, such as "purchase for resale" (code No. 203), each time an item is entered.

The examples given below may not be appropriate for all businesses, and it may be necessary to omit and add subtitles.

ACCOUNTS BY FINANCIAL BREAKDOWN

CURRENT ASSETS

(code)

011	PETTY CASH
012	CASH IN BANK
013	ACCOUNTS RECEIVABLE

FIXED ASSETS

021	LAND
022	BUILDINGS
022-A	ACCUMULATED DEPRECIATION--BUILDINGS
023	MACHINERY AND EQUIPMENT
023-A	ACCUMULATED DEPRECIATION--MACHINERY AND EQUIPMENT
024	OFFICE FURNITURE AND FIXTURES
024-A	ACCUMULATED DEPRECIATION--OFFICE FURNITURE AND FIXTURES

CURRENT LIABILITIES

101	ACCOUNTS PAYABLE
102	ACCRUED WAGES
103	ACCRUED TAXES
104	SHORT TERM LOANS

Business Record Accounts
(Information Sheet continued)

FIXED LIABILITIES

121	MORTGAGE PAYABLE

NET WORTH

130	PROPRIETORSHIP

REVENUES

201	SALES
202	SALES ALLOWANCES
203	PURCHASES FOR RESALE
204	FREIGHT OUT

EXPENSES

301	GENERAL LABOR
302	SOCIAL SECURITY TAXES
303	WORKMEN'S COMPENSATION
304	HOSPITALIZATION INSURANCE
305	REPAIR AND MAINTENANCE --BUILDINGS
313	REPAIR AND MAINTENANCE --EQUIPMENT
314	UTILITIES --ELECTRICITY, WATER, GAS
315	DEPRECIATION OF BUILDINGS
316	DEPRECIATION OF EQUIPMENT
317	REAL ESTATE TAXES
318	OTHER TAXES
319	FREIGHT IN
320	SALES SALARIES
321	TELEPHONE EXPENSE
322	ADVERTISING AND PROMOTION EXPENSE
323	BAD DEBTS
324	INTEREST EXPENSE
325	OTHERS

The breakdown of organizational activities is for the purpose of providing information about each activity or department of the business. For example, the amount of money spent on loading customer trucks, code No. 1, can be determined by adding the items in the account book listed under the code.

ACCOUNTS OF ORGANIZATIONAL ACTIVITIES

GENERAL LABOR

(Code)	
01	LOADING CUSTOMER TRUCK
12	HOLIDAYS, SICK LEAVE, AND VACATION
20	OFFICE WAGES
30	INVENTORY
40	REPAIR AND MAINTENANCE --EQUIPMENT
50	OTHERS

DEPARTMENTS

1	PARTS
2	INSECTICIDES AND HERBICIDES
3	GRINDING AND MIXING
4	FEED SALES
5	OTHERS

A time card is used to record the number of hours an employee works in a week and to compute earnings. The hours may be computed by a time clock or manually. After the time and weekly wages of an employee are computed, an entry for each employee is made in the payroll records. The information contained on the time card becomes a part of the expenses listed under codes 301, 302, 303, and 304.

TIME CARD

Week Ending ________________, 19____

NO.

NAME

DEDUCTIONS	EARNINGS	
Social Security	Reg. Hrs.	At
Income Tax	O. T. Hrs.	At
Hosp.	Total Hrs.	
Misc.	Total Wages	
	Total Deductions	
Total Deductions	Net Wages	

IN	OUT	IN	OUT	IN	OUT
____	____	____	____	____	____
____	____	____	____	____	____
____	____	____	____	____	____
____	____	____	____	____	____
____	____	____	____	____	____

Inventory Records

Inventory records may be kept two ways. All items may be listed together, or the inventory may be kept by department. The inventory may be taken at any time during the year; however, it should be taken on the same date(s) each year. Most businesses operate on a calendar year as their fiscal year. It would normally be best to take the inventory the last of December if operating on a calendar year.

INVENTORY FORM

DATE____________________

ITEM	BEGINNING OF YEAR		END OF YEAR	
	NO.	VALUE	NO.	VALUE
	TOTAL		TOTAL	

Inventory items that turn over (sold and replaced) several times within a year may only be listed under "End of Year" on the inventory form. The value will be the cost of the item plus freight, if any.

Depreciation Records

Depreciation records are kept by all businesses. A form that may be used is shown on the following page.

DEPRECIATION RECORDS

Description	Date Acquired	Cost or Other Basis	Depreciable Balance	Class

		1981		1982	
Method Used	Rate %	Depreciable Balance Less Depreciation	Depreciation for this Year	Depreciable Balance Less Prior Depreciation	Depreciation for this Year

Starting in 1981, useful life and salvage value are no longer considered in calculating depreciation or Accelerated Cost Recovery System (ACRS). Five classes of assets are established under ACRS. A business will need to refer to Internal Revenue Service guidelines to determine the class of an item and years of ownership.

Income Tax and Social Security Records

The income tax system operates on a pay as you go basis; therefore, an employer is required to withhold income taxes from each employee's pay in each pay period. A number of factors, such as rate of pay and number of exemptions, influence the amount withheld from an employee's pay check.

Every new employee is required to complete and file with his/her employer an Employee's Withholding Exemption. Prior to January 31 following the taxable year, the employer is required to complete a W-2 Form which lists the wages received, social security taxes, and income taxes withheld by employer.

Employees and employers each contribute equal percentages of the employee's wages for social security.

Records of both income taxes and social security taxes must be kept by a business.

TOPIC: TEXAS WORKMEN'S COMPENSATION INSURANCE

OBJECTIVE: To acquaint students with the general provisions of Texas Workmen's Compensation Insurance and how it could affect them as employees.

REFERENCE: Information Sheet, "Texas Workmen's Compensation Insurance"

ACTIVITY:

Lead a class discussion of questions.

QUESTIONS AND ANSWERS:

1. What was the purpose of the Texas Workmen's Compensation Insurance Act?
   To provide financial assistance to employees with job related injuries and to survivors of employees killed on the job.

2. What agency administers Workmen's Compensation Insurance (WCI)?
   The Industrial Accident Board

3. Are employers required to carry WCI?
   "No." Employers, however, are liable if proven negligent for job related injuries.

4. How do employers obtain WCI coverage?
   By contacting an insurance agent who provides such coverage.

5. What are the two classifications for injuries?
   a. General - injury to the body as a whole
   b. Specific - injury limited to a specific member, limb, organ, or part of the body

6. How are WCI benefits calculated?
   At 66 2/3 percent of the average weekly pay not to exceed $133.00 per week.

7. List the two important time limits in filing a claim.
   a. The employer must be notified within 30 days from the date of the injury.
   b. A claim form must be filed with the Industrial Accident Board within six months from date of injury.

Information Sheet
on
TEXAS WORKMEN'S COMPENSATION INSURANCE

Worker's Compensation Insurance is a form of insurance designed to provide medical benefits and, in some cases, financial payments for eligible employees who suffer injuries or occupational diseases arising out of and in the course of their employment. Financial payments are made to offset loss of wage-earning capacity and/or specific loss of a part of the body, such as a foot, loss of hand, etc., as a direct result of a job-related injury. The employee is entitled to all medical services, hospital services, and medications reasonably required at the time of injury and any time thereafter to cure and give relief from effects resulting from the injury.

The federal government provided workmen's compensation insurance for its civilian employees in 1908. Following this lead, all states now have laws which provide some form of workmen's compensation for employees of the state and certain commercial firms. State compensation programs are independent and free of federal authority and administration.

The Texas Workmen's Compensation Act was enacted into law by the Texas Legislature in 1913. The purpose of the Act was to provide financial assistance to employees with job related injuries and to survivors of employees killed on the job. Texas Workmen's Compensation Insurance (WCI) is administered by the Industrial Accident Board, P.O. Box 12757, Capitol Station, Austin, Texas 78711.

Employers are not required to carry WCI, but it provides employer insurance coverage for employers with three or more employees who elect to provide the coverage and carry the insurance. Employers with fewer than three employees should carry some other type of insurance. Since the Act is based on the abrogation of the common law defenses of contributory negligence, assumed risk, and fellow servant doctrine, the injured employee may bring suit for damages; and the employer cannot plead any of the above defenses. However, the employee must prove negligence.

Excluded under the Texas law are domestic servants or casual employees engaged in employment incidental to personal residences, farm laborers, ranch laborers, and operators of steam, electric, street, or inter-urban railways as a common carrier. Masters of/or seamen on vessels engaged in interstate or foreign commerce and any employee or classification of employees for whom a rule of liability or method of compensation has been or may be established by the Congress of the United States are also excluded.

Securing Workmen's Compensation Insurance Coverage

An employer desiring to participate in the WCI program should contact a local insurance agent to obtain coverage. If the local agent does not provide this type of insurance, he/she can recommend an agent who does. The premium rate for WCI coverage varies and is determined by the number of employees a firm has.

Protection Provided by WCI

WCI provides a weekly compensation rate for up to 401 weeks and medical expenses to employees who receive injuries while they are actually performing duties for the employer.

Although there are several types of injuries, they are all classified as either general (injury to the body as a whole), or specific (injury limited to a specific member, limb, organ, or part of the body); and are either total or partial; and may be permanent or temporary. An employee might have temporary total disability, temporary partial disability, permanent total disability, or permanent partial disability.

The weekly compensation rates are as follows:

Weekly - $133.00

Temporary Total Disability - up to 401 weeks at 66 2/3 percent of average weekly wage, but not more than $133.00 or less than $25.00 per week.

Temporary Partial Disability - up to 300 weeks at 66 2/3 percent of the difference between earning capacity prior to and after injury, but not to exceed $133.00 per week.

Permanent Partial Disability (in a general injury by the loss of wage earning capacity) - is the difference between earnings prior to the injury and earning capacity after the injury for up to 300 weeks.

Loss of a limb or member of the body or loss of use of the limb or member of the body is compensated according to the following table discounted four percent:

Thumb	$ 7,799.18	60 weeks at $133.00
1st Finger	$ 5,882.33	45 weeks at $133.00
2nd Finger	$ 3,943.70	30 weeks at $133.00
3rd Finger	$ 2,769.95	21 weeks at $133.00
4th Finger	$ 1,983.00	15 weeks at $133.00
Loss of Hand	$18,855.72	150 weeks at $133.00
Loss of Arm at or Above Elbow	$24,681.58	200 weeks at $133.00
Big Toe	$ 3,943.70	30 weeks at $133.00
Any other Toe	$ 1,324.49	10 weeks at $133.00
Loss of Foot	$15,859.37	125 weeks at $133.00
Loss of Leg at or above Knee	$24,681.00	200 weeks at $133.00
Loss of Sight (1) Eye	$12,805.97	100 weeks at $133.00
Loss of Hearing in both Ears	$18,855.72	150 weeks at $133.00
Hernia	$ 3,423.02	26 weeks at $133.00

In case of death, the surviving spouse will receive benefits for life, and children will receive benefits until age 18 or if in school to age 23. Benefits are calculated at 66 2/3 percent of the average weekly wage not to exceed $133.00 per week.

If the surviving spouse remarries, however, he/she will receive a two-year lump sum payment of $13,832.00. In addition to the weekly fatality benefits, the insurance carrier is required to pay up to $1,250.00 funeral expenses.

Filing and Closing a Claim

To file a claim the injured employee must (1) notify employer of the injury within 30 days from the date of the injury, and (2) a claim form must be filed with the Industrial Accident Board in Austin within six months from the date of the injury. It is extremely important that these time limits be adhered to.

At the time of injury, an employee is entitled to immediate first aid treatment. All first aid expenses and future medical expenses are the responsibility of the employer/insurance carrier. These expenses will be paid as long as the medical doctor or chiropractor treating the injured worker submits the necessary reports concerning the worker's condition to the Industrial Accident Board.

TOPIC: BUILDING, FIRE, AND WINDSTORM INSURANCE

OBJECTIVE: To acquaint students with some of the provisions contained in fire and windstorm insurance policies and factors to consider in determining if property should be insured.

REFERENCE: Information Sheet, "Building, Fire, and Windstorm Insurance"

ACTIVITIES:

1. Ask a local insurance agent to make a presentation to the class and discuss the basic coverage for buildings, merchandise, etc. in agricultural business and the rates.
2. Lead a class discussion of the questions.

QUESTIONS AND ANSWERS:

1. List the three criteria that should be considered in determining whether or not to insure property.
    - a. The risk of incurring loss
    - b. Financial burden if loss occurs
    - c. Cost of insurance

2. What kind of investment must a person have in property in order to have an insurable interest?
    - a. Full ownership,
    - b. Partial ownership, or
    - c. Equitable rights in the property.

Transparency No. 1

3. List policy clauses or riders that the insurer should review before accepting a policy.
    - a. Assignment clause
    - b. Other insurance clause
    - c. Apportionment clause
    - d. Work and material clause
    - e. Liberalization clause
    - f. Minimum loss clause
    - g. Deductible clause

4. What are some conditions that might prevent full payment, temporarily suspend, or void an insurance policy?
    - a. Property left vacant for a specific period of time, usually 60 days.
    - b. A hazardous condition not present when policy was written.
    - c. Taking out additional insurance from a second company without notifying the company writing the initial policy.
    - d. A change in the property title, or mortgaging property without notifying company writing insurance policy.

5. Explain how a deductible clause affects an insurance policy.
The amount specified in the deductible clause in the insurance policy is deducted from claim payments. The higher the amount of the deductible clause, the lower the premium payments.

Information Sheet
on
BUILDING, FIRE, AND WINDSTORM INSURANCE

Buildings, equipment, and merchandise are subject to damage or destruction by the elements. Fire, hail, and high winds cause extensive damage to business property each year. Property is a necessary part of all businesses, and very few can afford damage or destruction without insurance, which reduces the risks.

Three criteria should be considered in determining whether or not to insure property against loss:

1. The risk of incurring a loss.
   It is estimated that about two percent of the businesses in the United States suffer a fire loss each year. However, the likelihood of sustaining a loss varies by area. Structural components used in buildings and the type of merchandise stocked may increase or decrease the possibility of damage. Buildings constructed of steel and masonry products are less likely to be damaged than those constructed of wood.
2. Financial burden if loss occurs.
   The manager of the business must decide the financial value of the buildings used in the business. The loss of one building might not be a financial burden, while the loss of another might cause the business to suspend operation.
3. Cost of insurance.
   The cost of insurance can be answered by an insurance agent. The cost will vary according to the type of building, location, merchandise in building, and value. Rate discounts are sometimes offered on buildings constructed of metal, concrete, masonry units, and with fire resistant roofs.

Losses from fire, wind, hail, or other perils are usually greater than the actual value of the property involved. Most insurance companies will not write a policy for 100 percent of property value, because this removes the incentives to avoid a loss. The operator of a business would be wise to adequately insure the property used by the business, keeping in mind that the purpose of insurance is not to make money should there be a loss, but for protection against burdensome losses.

Businesses should not expect to collect the full amount of a policy simply because the loss exceeds the amount stipulated in the policy. Methods used to arrive at losses vary widely among insurance companies. Before purchasing a policy, the insurance agent should be asked how the company determines the amount of losses.

The business buying an insurance policy must have insurable interest in the property to be covered. Without insurable interest, there can be no financial loss realized if the property is destroyed, as the business had nothing to insure. An example would be a leased building. Generally insurable interests in property are those that are (1) full owners, (2) partial owners, and (3) those with equitable rights in property.

Forms Used in Property Insurance Policies

Property is usually insured with a standard fire insurance policy to which are added endorsements or riders to expand the coverage and usefulness of the policy.

Some common riders are as follows:

1. Extended coverage insures property from losses due to hail, windstorm, riot, riot attending a strike, civil commotion, vehicles, aircraft explosions, and smoke.
2. Windstorm coverage provides protection against damage from windstorms and hail only and is nearly as expensive as extended coverage.
3. Special coverage for merchandise in inventory, fixtures, and equipment can be protected normally through a rider to the building insurance policy.

Other Policy Clauses

Both the owner of the business and the insurance company are legally bound by every clause in the insurance contract. Statements or agreements made by the insurance agent are not binding unless they are found in the policy. Some of the more important clauses are as follows:

1. Assignment Clause - This is the transfer of the rights under the insurance policy to a third person. Most insurance companies have a written provision in their policies which forbids the assignment of a policy without the written consent of the company.
2. Other Insurance Clause - This clause voids insurance coverage on property which is already covered by an insurance policy. However, permission to carry other insurance may be obtained from the company.
3. Apportionment Clause - This is a clause in a policy which states that if two or more policies cover the property, one company shall not be liable for a greater proportion of any loss than the relationship its policy bears to the total amount of insurance on the property.
4. Work and Materials Clause - This clause counteracts provisions which might suspend coverage if hazardous materials are kept on the premises. Risks common to a shop, such as acetylene, increase fire hazard, but under this clause, coverage must be provided.
5. Liberalization Clause - This clause automatically extends to older policies any benefits which have been added to newer policies at no extra charge.
6. Minimum Loss Clause - Premium costs are lessened by the promise of the insured to pay small losses. A minimum loss clause of $50 means that the insurance company would not pay on losses of $50 or less. The use of this clause is not as popular as it once was. Most policies contain a deductible clause which covers this.

7. Deductible Clause - A specific amount, usually up to five percent of the face value of the policy, is deducted from all claims, regardless of the amount. The higher the amount of the deductible clause, the lower the premium payments.

Most policies include a number of conditions which may prevent full payment, temporarily suspend, or even void the policy. Some of the more common conditions which might affect a policy are listed below:

1. Property left vacant for a specific period of time, usually 60 days.
2. A hazardous condition not present when policy was written.
3. Taking out additional insurance from a second company without notifying the company writing the initial policy.
4. A change in the property title, or mortgaging property without notifying company writing insurance policy.

TOPIC: CROP, LIVESTOCK, AND VEHICLE INSURANCE

OBJECTIVE: To acquaint students with the coverages provided by various types of crop, livestock, and vehicle insurance.

REFERENCE: Information Sheet, "Crop, Livestock, and Vehicle Insurance"

ACTIVITIES:

1. Ask local insurance agent to discuss with class the various coverages offered for livestock and vehicle insurance.
2. Ask the district representative of the FCIC to discuss crop insurance with the class.
3. Lead a class discussion of questions.

QUESTIONS AND ANSWERS:

1. When will crop insurance be offered for all major commodities and in all counties in the United States?
   In 1985

   Transparency No. 1

2. List six ways in which crop insurance may be utilized.
   a. Maximum use of capital - eliminates the need to withhold funds which might be set aside for a crop failure.
   b. Specialization - Due to the expense of machinery and equipment and the necessity of specialization, insurance protects against the loss of one year's expected income.
   c. Collateral - Crop insurance can serve as collateral for a loan and provides credit with more favorable terms.
   d. Livestock feeding - Insurance may prevent the farmer from having to pay twice for feed - the crop to be raised and lost and the feed necessary to maintain livestock.
   e. Family finances - Insurance may prevent the use of funds which have been set aside for retirement, education, or vacation.
   f. Long-term investments - Insurance guarantees the necessary capital for long-term loans.

3. List two of the special features of crop insurance.
   a. A specific amount of good quality production is guaranteed by FCIC.
   b. Guaranteed yields may be set at 50, 60 or 65, and 75 percent of average county yields.

4. How are premium rates for FCI determined?
   a. Cost depends largely on level of coverage and settlement price selected by farmer.
   b. A 30 percent discount is applied to premium rates for 50 and 65 percent levels of coverage.

c. County premiums are based on estimated losses per acre over representative period of years.
d. Premium cost is based on past years of experience for the farmer.

5. What two general coverages are provided by livestock insurance?
   a. Accidental death
   b. Death caused by disease

Transparency No. 2

6. List the most common exclusions of livestock insurance policies.
   a. Death due to operation or inoculation not conducted by qualified veterinarian
   b. Poisoning, unless it was accidental. Not more than 65% of policy value will be paid for accidental poisoning.
   c. Intended or purposeful injury
   d. Death due to war or open hostility
   e. Death due to careless handling by owner or employees
   f. Misrepresentation by owner concerning animal

7. What type of coverage is provided by cargo insurance?
   This covers animal(s) while being transported from one point to another and includes loss due to fire, overturn, collision, collapse of bridge, and loss due to natural causes. Loss due to negligence, delay or loss of market, injury due to shifting of load, truck or equipment failures, or damage caused by strikes or other forms of hostility are not covered.

Transparency No. 3

8. List types of insurance coverage available for vehicles and explain each.
   a. Liability - provides coverage for bodily injury and property damage to others when the insured is legally responsible for accident. All vehicles operated in Texas must have liability insurance.
   b. Medical Payment - provides coverage for the insured and insured's passengers and covers medical fees up to the limits specified in policy.
   c. Uninsured Motorist Protection - offers protection to the insured, insured's spouse, and residents of household if struck while walking or driving by an uninsured or hit-and-run driver.
   d. Collision Insurance - Pays damage for insured's car when there is a collision. There is usually a deductible ($100 to $250) which the insured must pay.
   e. Comprehensive Insurance - covers losses to vehicle caused by fire, wind, theft (excluding C.B. Radio), vandalism, collision with animals, explosions, flood, and lightning.

Transparency No. 4

9. What determines the premium rates of vehicle insurance?
   a. Age of driver
   b. Principal location of vehicle
   c. Amount of protection
   d. Accident experience of vehicle owner
   e. Rating established for vehicle use

Information Sheet
on
CROP, LIVESTOCK, AND VEHICLE INSURANCE

Crop Insurance

The loss of one year's crop means the loss of an investment which may wipe out the next 4-5 years of expected profits. Each year such losses do happen somewhere, and may happen anywhere. In order to protect themselves from such a staggering loss, more farmers than ever before are carrying crop insurance. Crop insurance is to be considered a farm management tool which may pay off indirectly even in the good years due to decreased yearly premiums if no claims are filed.

As a result of damands for crop coverage, and the inability of private companies to cover crop damage, Congress in 1938 established the Federal Crop Insurance Corporation (FCIC). It was soon found that a satisfactory insurance program could be developed, and in fact, in the period 1948 - 65 premiums exceeded payments. In the mid 1950's, the FCIC introduced its all-risk insurance. This means that the FCIC insurance now covers the quantity of harvest, but it also makes payment for decreased quality of crops due to natural disasters such as drought, excessive moisture, flood, freezing, wind, hail, insects, or disease.

Under the FCIC All-Risk Plan, a guarantee is given for a specific yield and quality of crop per acre. The specific amount will vary among areas, depending on normal yields, crop cost, and the risks involved. For each bushel of the insured crop that does not reach the guaranteed level, a price is paid which was selected at the initiation of the policy. Thus, a farmer is guaranteed at least a return equal to his expenses.

Some counties and crops have not been eligible for crop insurance, but the Federal Crop Insurance Act of 1980 provided for expansion to all major commodities in all counties by 1985. Crops covered by insurance at the present time are wheat, grain sorghum, soybeans, cotton, corn, peanuts, rice, sugarcane, and Texas citrus.

Even if one is lucky enough not to sustain any loss, a protected crop can often be a more profitable crop. Here are six methods by which crop insurance can be utilized:

1. Maximum use of capital - Insurance eliminates the need to withhold funds which might be set aside in case of a crop failure. Even though this money may be drawing interest, it can be more effectively utilized as an investment in the farm business. Also, as the investment requirements increase annually, so does the reserve requirement. Finally, a reserve amounting to one year's protection does not cover two or more yearly crop losses as insurance does.
2. Specialization - As the expense of operation rises annually through higher machinery and equipment demands, more and more specialization of crops is required. The risk of losing one crop is greater than that of losing several diversified crops, and a bad year can totally wipe out the year's expected income. Insurance protects against this kind of loss.

3. Collateral - Any lender wants a guarantee that a loan will be repaid. Insurance provides this guarantee as well as the associated collateral with which the farmer may be able to obtain credit at better terms or at lower rates.
4. Long-term financing - Annual fixed expenses may be increased sharply through the necessity of a long-term loan made necessary for the purchase of land, machinery, and buildings required to increase profits. These commitments may stretch 10, 15, or more years. Insurance can guarantee the necessary capital to enable the farmer to undertake a long term program of farm modernization and enlargement.
5. Livestock feeding - Many farmers produce their own livestock feed. Loss of a crop may force them to pay twice for one year's feed, for the crop they lost, and for the replacement stock feed. Insurance indemnities can sharply reduce this net replacement feed cost.
6. Family finances - Savings set aside for retirement, college educations, or vacations often have to be used to replace funds lost in a major uninsured crop loss. Indirectly, crop insurance may protect money set aside for personal use, and may affect the family's standard of living.

Crop insurance should not be considered a substitute for good farm management practices, but rather as a tool to protect against eventual catastrophe. For example, crop losses due to poor fertilizer or pesticide utilization will not be covered by insurance. Crop insurance should be kept as long as there is a risk present. Buying crop insurance on trial for a year is like buying life insurance for a year to see if you die. Under the present FCIC policy, farmers who keep their policies effective, and who display a low record of loss, may have their premiums reduced.

Each crop has special insurance features. The following is an example of how the insurance coverage pertains to wheat, grain sorghum, and soybeans:

1. The FCIC guarantees a specific amount of good quality production for the three crops and pays an indemnity (loss payment) when production falls below the guarantee.
2. Guaranteed yields are set at 50, 60 or 65, and 75 percent of yield averages for the county. The farmer selects one of these levels, as well as a price election per bushel, which is the price that will be paid for each bushel that the damaged or destroyed crop is below the guarantee.
3. Assume a farmer planted 100 acres of soybeans and that the selected insurance guarantee is 19.0 bushels per acre, or a total of 1900 bushels, and a price election of $6.00 per bushel.
4. Assume the farmer harvested soybeans from the 100 acres and the total yields were 600 bushels. This is 1300 bushels less than the guarantee. So the loss would be 1300 bushels.

5. The indemnity is computed as follows:

    1900 bu. - Production guarantee
    -600 bu. - Production harvested
    1300 bu. - Amount below guarantee (1900 bu. minus 600 bu.)
    x $6.00 - Price election - Amount farm selected to be paid for each bushel short of the guarantee
    $7,800.00 - Amount farmer will be paid for losses (1300 bu. multiplied by $6.00 price election)

    Price selections and bushel guarantees differ with crop and area. If the crop is not harvested, the producer does not incur harvesting costs and the guarantee is reduced as follows: the lesser of three bushels or 20 percent for wheat and soybeans; the lesser of five bushels or 20 percent for grain sorghum.

Premium rates for FCI are determined as follows:

1. Cost depends largely on the farmer. The settlement price and level of coverage selected by the farmer are used to determine the premiums, as well as the loss.
2. A government subsidy is applied to the premium rate. A discount of 30 percent is applied to the premium on the 50 percent and 65 percent level of coverage. The discount on the 75 percent coverage level will not exceed 30 percent of the 65 percent level of premium. The subsidy is not applied to any crop which is eligible for ASCS disaster relief if the producer elects to participate in that program.
3. County premiums are based on estimated losses per acre over representative period of years.
4. County is divided into rate areas which are shown on actuarial map or listing. The following factors are considered in compiling the actuarial listing:
    a. Crop insurance experience of previous years;
    b. Risk of production;
    c. Lands classed as uninsurable due to high risk;
    d. All land in any given area has the same coverage and rates.
    e. Final approved coverages and rates are set up on county actuarial tables.
5. Premium rates vary from area to area so that the premium the farmer pays will be no greater than the risk of crop loss in the area.
6. Farmer can change premium cost by adjusting the amount of protection.
7. Premium cost is based on past years experience and adjusted accordingly from the base rate. Each year a computerized printout shows a policyholder's accumulated experience. When the printout shows a low loss ratio, the premium is adjusted downward on the basis of the loss ratio and number of years with crop insurance. For a high loss ratio, the number of loss years is considered and the premium is adjusted upward.

8. Premium charges are adequate only to meet losses and establish a reasonable reserve against unforeseen losses. Ninety-six cents out of every dollar earned in premiums have been returned to the farmer through indemnities.
9. Congress provides appropriations for payment of FCIC operating expenses. Therefore, premium rates do not include a charge to cover operating costs of the Corporation.

Any person who has a share in an insurable crop may obtain FCI. Landlords and tenants can insure their interest in a crop separately, or an application may be filed jointly by two or more persons, such as tenant and landlord, or co-owners to cover their joint interest.

Closing dates are established each year for making application for insurance. After these dates, applications are not accepted. Closing dates are necessary in order to get the insurance in force before crop prospects can be determined. Otherwise, farmers would take insurance only in the years that crop prospects are poor. If conditions develop that create an unusual risk to the Corporation, closing dates may be early.

Farmers carrying insurance have to file an acreage report within 30 days after completion of planting. Location of crop, number of acres, and share in crop is reported. A form for making this report is mailed to the farmer at planting time.

In event of a loss, the farmer promptly reports the loss to the local FCIC office so that a loss adjustment can be performed while the needed evidence and information supporting the claim are available and can be verified. An FCIC adjuster visits the farm to determine extent of crop loss. If an insured no longer intends to care for a damaged crop and wants to put the insured land to another use, he/she must first obtain written consent from the FCIC adjuster. Consent to put the land to another use is usually given when it is too late to replant to the same crop.

There is a substitute crop provision in some cases where acreage planted to one crop is released and planted to another. The wheat, barley, corn, flax, oat, rye, soybean, sugarcane, sunflower, and sweet corn policies provide that the greater of the appraised production or 50 percent of the applicable guarantee be used as production to count when acreage is released under the following circumstances:

1. Harvest of the original crop is not yet general in the area;
2. The substitute crop seeded on the acreage on which consent was given must meet all the requirements of insurability, such as time seeded, insurable practices, etc.; and
3. The substitute crop is for harvest in the same calendar year.

If the conditions are met and the insured has insurance on the substitute crop, the substituted crop will be fully insured.

Livestock Insurance

The ownership of livestock constitutes a risk in the same manner as ownership of crops or any other valuable which may be lost. Unless the owner is in a position to absorb the financial loss himself, the livestock should be insured. In order to obtain insurance, the owner usually is required to supply the following information about the animal:

1. Name
2. Registration number
3. Tattoo or ear tag number
4. Date of birth
5. Amount of coverage and period of insurance required
6. Certification of good physical health based on a veterinarian's examination made within five days prior to application

In general, insurance companies cover death loss due to accidental causes as well as disease where the owner is found to not be at fault. The following exclusions are common to most livestock insurance policies:

1. Death due to operation or inoculation not conducted by a qualified veterinarian.
2. Poisoning, unless the poisoning was accidental. In the case of accidental poisoning, not more than 65% of the total policy value will be paid.
3. Intended or purposeful injury.
4. Death due to war or open hostility.
5. Death due to careless handling by the owner or any of his employees.
6. Any misrepresentation by the owner concerning the insured animal.

It is most important that the entire policy be read before applying for insurance, and that it is totally understood. The insurance agent should be contacted for an explanation if the farmer does not understand any portion of it. The agent is trained in the coverage of his policies, and is the logical person to tell the owner what coverage is best in a particular situation. The following facts should be kept in mind when insurance protection is needed:

1. The standard Livestock Mortality Policy covers death only.
2. The policy protection is not intended for eventual gain or profit, but is for protection of investment only.
3. Insurance cannot be expected to cover normal maintenance expenses such as veterinary costs or similar expenses.
4. Mortality coverage does not insure against loss of the animal's ability to do the job for which it was kept.
5. Required slaughter by governmental order is not covered.
6. When no actual sales transaction has occurred, a fair and conservative price for the animal will be set by competent and impartial judges.

7. Livestock Mortality Insurance is identical to term life insurance for humans, and is payable accordingly. Reinsurability of the animal must be proven before the policy can be renewed.
8. Cancellation may be brought about only by the insured or by the company according to regulations set in the policy.
9. Policies may not be transferred from one person to another, or from one animal to another without company approval.

Livestock coverage is a very important instrument by which a farmer can protect his/her investment. However, he/she must understand the policy so that protection will not unknowingly be voided.

Herd Insurance

No less than ten head may be insured under Group Insurance Plans. No one animal may be worth more than half the total herd value. The annual premiums usually amount to about 3% of the total herd value, and no indemnities may be paid until total loss is in excess of the premium. In other words, total cost of insuring a ten head, $10,000 herd is $300. If each animal is worth $1,000 each, loss of one head returns only $700 in indemnity. Horse group insurance differs in that no indemnities are paid until the loss exceeds 2% of the total value of the herd. Otherwise, the policies are very similar. Animals may be substituted at no charge if they are of equal value. Animals deleted from the policy should be replaced immediately to avoid reducing the total insurance volume.

Specialized Livestock Coverage

1. Special Herd Insurance for Cattle - This specialized insurance requires a minimum of six head at the rate of about 5% of the total value. No one animal may exceed the value of the other five. The indemnities pay the full value of the loss; no deduction is involved.
2. Four-H and FFA Calf Club Accrual Plan - There are two separate methods of insurance offered under this plan:
    a. Six-month accrual plan - Each calf is insured at about 5% of original cost. This is the total premium paid. There is an automatic accrual value increase of 10% of original cost each month the policy is in force, not to exceed five increases.
    b. Twelve month accrual plan - This plan is very similar to the six-month plan. The original cost of each calf is insured at 9% of original cost. The accrual value increases at the rate of 10% each month.

    By this method, the amount paid for accrued value coverage is lower than the normal annual premium of 6%. By the end of a year, the insured value of the animal is more than twice the original cost.

These policies also cover animals during transportation and exhibitions. Another advantage is the lower cost per year of protection as well as coverage against loss from theft.

Cargo Insurance

This plan covers animals being transported from one point to another and includes loss due to fire, overturn, collision, collapse of bridges and loss due to natural causes. It does not cover losses due to negligence, delay or loss of market, injury due to shifting of load, truck or equipment failures or damage caused by strikes or other forms of hostility.

Poultry Coverage Policy

This policy plan protects chickens and turkeys against losses due to fire, lightning, windstorms, rainstorms, and other acts of nature. Birds kept in houses are given preferable rates over birds kept on range. There is usually a different policy used for starter chicks than for laying hens due to advantageous premium rate. The policy value for chickens increases in the following manner:

1¢ per day per chick for the first fifty-five days
1 3/4¢ per day per bird for the next twenty-five days
2 1/4¢ per day per bird for the next thirty days
4 1/2¢ per day thereafter until maximum coverage

Under this plan, for a nominal fee, the farmer can secure protection against livestock being killed on the highways through faulty fences and wandering cattle. This policy covers the cost of the dead animal up to $300 market value plus damage to the vehicle which hits it if the owner of the cow is found negligent. If the fences are tight and gates were kept closed and the owner is not otherwise at fault, the policy may not cover the damage to the car.

In general, the information given above is correct; however, rates and coverages change frequently, so these may not be correct.

Vehicle Insurance

Increased usage of motor vehicles, both cars and trucks, has vastly increased the risk and financial obligations of businesses. Economic losses also increase each year due to motor vehicle accidents. Due to ever-increasing court settlements, businesses should protect themselves from financial hardships which might arise from vehicle operations.

Shopping for auto insurance can present many problems and leave one very distraught. However, if the basic features are known, one can shop with more confidence and is likely to get more for the money. Auto insurance can be bought in the form of a bundle of coverage, or each section in the bundle can be bought separately.

Types of Vehicle Insurance

1. Liability - is the core of an auto policy. With liability coverage the insurance pays for bodily injury and property damage to others when the insured is legally responsible for the accident. Claims against the insured may be settled out of court; or if court action is brought against the insured, the company will defend the insured. The protection covers the insured, resident members of the family, and others who drive with the insured's approval. The insured and members of the insured's family are also covered when driving another car with the owner's consent.

   Liability coverage is stated separately for bodily injury and property damage. Coverage is generally stated in a form such as 10/20/5. This indicates the insurance company is liable for up to $10,000 for any one person injured; up to $20,000 for all injuries in the same accident; and up to $5,000 for damage to the other car, fences, and other property. For damages exceeding these amounts, the insured is responsible.
2. Medical Payment Insurance - This is the coverage that pays for the insured and insured passenger's medical fees regardless of fault for the accident. Coverage is sold in amounts ranging from $500 to $5,000. The limit is for each person injured, so with a $500 plan, four people would collect a total of $2,000, very little with today's medical cost.
3. Uninsured Motorist Protection - offers protection to the insured, insured's spouse, and residents of household if struck while driving or walking by an uninsured or hit-and-run driver. The coverage applies only when the other driver was at fault for the accident. Bodily injury payments generally are limited to minimums of state liability regardless of the face value of the basic policy.
4. Collision Insurance - pays for damage to insured's car when he/she hits another vehicle or an object such as a tree or telephone pole. Collision coverage is usually sold in the form of $50, $100, $200, of $250 deductible. If the insured collides with a tree and there is $150 damage to the car and the policy is $100 deductible, the insurance company will pay $50. The larger the amount of deductible, the less the premium. In most instances the buying of a $250 deductible collision policy rather than $100 deductible will reduce premium cost by 20 percent.

   The insurance company keeps its responsibility to the "actual cash value of the vehicle." The most one could expect to receive for a $700 car would be $700. Regardless of how dear to the insured's heart the "old crate" is, the company will not spend $800 to repair it. The value of the car should be considered. It may be unwise economically to buy collision coverage for an old car.

Crop, Livestock, and Vehicle Insurance
(Information Sheet continued)

5. Comprehensive Insurance - covers losses caused by fire, wind, theft (excluding C. B. Radio), vandalism, collision with animals, explosions, floods, and lightning. Limited coverage is usually provided by comprehensive insurance for personal effects left in a car. Additional coverage for personal effects left in a car is also provided by a homeowner's insurance policy.
6. Accidental Death and Dismemberment Coverage - pays a lump sum for death in a car accident, loss of a limb, blindness, fractures, and dislocations, plus a disability benefit each week. This type of insurance often overlaps coverage from liability and other insurance. Therefore, caution should be taken to prevent the spending of premium money for overlapping coverages.

Premium rates for vehicle insurance may vary widely depending on any of several conditions. Some of these conditions are listed below:

1. Age of driver - On the 25th birthday of insured males most vehicle insurance rates decrease markedly in Texas.
2. Principal location of vehicle - Vehicles operated exclusively in cities are more susceptible to accidents than those operated principally in rural areas.
3. Amount of protection desired - Premium rates increase as policy protection increases.
4. Accident experience of vehicle owner - Premium rates are higher for those with a history of accidents.
5. Rating established for vehicle use - Whether the vehicle is used for business or pleasure and conditions under which business vehicles are used affects premium rates.

To determine coverages and amount of coverage, the manager should contact an insurance agent who can provide advice as to areas of greatest risk and how to receive the most benefits for the insurance dollar.

TOPIC: LIABILITY INSURANCE AND TITLE POLICIES

OBJECTIVE: To acquaint students with the public liabilities of agricultural businesses and to familiarize them with title policies.

REFERENCE: Information Sheet, "Liability Insurance and Title Policies"

ACTIVITY:

Lead a class discussion of the questions, and secure a copy of a title policy and show it to the students.

QUESTIONS AND ANSWERS:

1. What two types of risks does liability insurance cover with regard to an agricultural business?
   a. Accidents by employees while on the job
   b. Accidents of the general public while on the business premises

2. What will determine the amount of employee liability insurance coverage a business should carry?
   a. The number and type of employees
   b. Kind of work employees perform

3. What is a title policy and what type of protection does it offer?
   A title policy insures the title to real estate. It protects the owner up to the amount of the purchase price.

4. How is the cost of a title policy determined?
   It is based on the purchase price of the real estate, and the cost is a percentage of the purchase price.

5. Where may title policies be purchased?
   They must be purchased from a title insurance company located in the county in which the real estate is located.

6. Who pays for the title policy.
   Either the seller or the buyer of real estate.

Information Sheet
on
LIABILITY INSURANCE AND TITLE POLICIES

Liability insurance is not the same type of insurance as that discussed in the previous topic for vehicles. This type of liability insurance is designed to provide protection from certain risks in the operation of an agricultural business. These risks can normally be classified into two groups: (1) those accidents of employees while on the job, and (2) those accidents of the general public while on the premises of the business.

Comprehensive Public Liability Insurance

Businesses are often held responsible for the safety of their customers while the customers are on the business premises. This is sometimes referred to as public liability. Liability insurance will protect the business from loss as the result of a law suit brought by an injured person or someone else. Court awards in lawsuits of this type are often quite high, resulting in financial losses to businesses. The cost per dollar of protection is relatively low.

Workman's compensation insurance, which is discussed in topic 81, normally offers the business protection from liability for injury to employees. However, the employer would want to make sure that this coverage is adequate.

There are two criteria which should be considered in determining the amount of liability insurance coverage required by a business: (1) the number and type of employees, and (2) the kind of work they perform. Hazardous work and unskilled workers increase the risk of injury.

Title Policies

Title insurance is a means of insuring the title to real estate. The seller or buyer applies to a title insurance company for title insurance when real estate is being conveyed. The title firm checks the records of the real estate in question. If the records are in order, the title company issues a title policy for the purchase price of the property. Should someone present a claim against the property at a later date, the title company will assume the purchaser's losses up to the amount of the policy. The cost of title insurance is based on the value of the real estate or its sales price. A title policy costs $110.00 for a piece of real estate valued at $4,500, while one for real estate valued at $55,500 would cost $358.00.

Title policy costs are uniform throughout the state. The title policy must be purchased from a title insurance company located in the county in which the real estate is located.

TOPIC: DEEDS AND CONVEYANCES, LEASES, CONTRACTS, AND TAXES

OBJECTIVE: To familiarize students with legal matters relating to deeds and conveyances, leases, contracts, and taxes.

REFERENCE: Information Sheet, "Deeds and Conveyances, Leases, Contracts, and Taxes"

ACTIVITY:

Invite a lawyer to discuss the different legal aspects of the items listed in the topic heading.

QUESTIONS AND ANSWERS:

1. What is a deed?
A written document that conveys or transfers real estate from owner or grantor to buyer or grantee.

2. What are the principal differences between a general warranty deed and a quit-claim deed?
A general warranty deed contains a clause which warrants or guarantees title to the property back to the sovereignty of the soil and into the future for an indefinite period. A quit-claim deed conveys the title or interest one might have in real estate, but it does not guarantee a valid title. Quit-claim deeds are generally used to release a minor real estate interest.

3. What is an abstract of title?
A chronological history of a piece of property from the time of its patent up until the present owner.

4. What is the purpose of getting an attorney's opinion when purchasing real estate?
The purpose is to get an attorney representing the buyer to examine the title to the real estate and to give an opinion as to the marketability of the title and if there is a cloud in the title. It is necessary sometimes after receiving the attorney's opinion for the seller to have to change certain statements in the deed. It should be remembered that an attorney's opinion does not replace the title insurance policy nor the abstract of title.

5. Why should all transactions regarding real estate be recorded by the office of the county clerk?
Any transaction that affects real estate should be recorded so that a title search will reflect the transaction. Also, if the papers noting the transaction were lost, there would not be a record of the transaction unless it was recorded.

6. Is an oral lease legal? Explain.

   A written or oral lease is a legal contract between the property owner and another person. A lease conveys the use of property for a specific period of time for a specific consideration, and the lessee has possessory right during this period of time. Written leases are recommended, as they will often prevent misunderstanding and disagreement and can be used to recall facts and details of the agreement.

7. List some of the different types of leases.
   a. Cash
   b. Crop share
   c. Livestock share
   d. Sliding-scale

8. List some of the advantages of contract farming.
   a. Assumes a market
   b. Can provide needed capital for farming operation
   c. Reduces risk normally assumed by farming operation
   d. May provide management assistance from specialists
   e. Provides a fixed income
   f. Provides opportunity to specialize
   g. Eliminates marketing problems

9. What are the principal means used by governments and political subdivisions to raise revenue?
   Taxes

10. What are real estate taxes based on?
    They are based on the assessed value of the property.

Information Sheet
on
DEEDS AND CONVEYANCES, LEASES, CONTRACTS, AND TAXES

The statements made in this topic should not be considered as interpretations of the law. If legal service or advice is needed, an attorney should be consulted.

The legal problems confronted by managers of businesses are relatively few compared to the number of other problems; however, an improperly handled legal problem can influence the business and the families of the owners for the rest of their lives.

Deeds

A deed is a written document that conveys or transfers real estate from owner or grantor to buyer or grantee. Several kinds of deeds are used to convey real estate. These are general warranty, special warranty deed, trust deed, sheriff's deed, and quit-claim deed.

The general warranty deed contains a clause which warrants or guarantees title to property back to the sovereignty of the soil and into the future for an indefinite period. It also obligates the seller to protect the buyer against adverse claims. A general warranty deed does not protect one against liens or encumbrances unless it is specified in the covenants. Also, the warranty is a personal warranty and is only as good as the integrity of the person signing it. See charts 1a, 1b, and 1c.

Being similar to a general warranty deed, the maker of the special warranty deed does not warrant or guarantee the title other than his/her ownership. At the end of the warranty clause appear the words "by, through or under me, but not otherwise." Governmental agencies or individuals commonly use this type of deed to prevent their possibility of becoming involved in title controversies.

A sheriff's deed is executed by a sheriff for the failure of the owner to pay taxes. After taxes become delinquent, the sheriff posts a notice at the courthouse and sells the property on a specified date to the highest bidder. A sheriff's deed is given to the purchaser. One factor to remember is that property sold with a sheriff's deed is subject to redemption by the original owner within two years of the sales date.

A quit-claim deed conveys title or interest that one might have in real estate. It does not guarantee that the title is valid, nor does it commit the seller to protect the buyer against title or claims. If the seller (grantor) has a marketable title, a quit-claim deed is just as effective as a general warranty deed.

Quit-claim deeds are normally used to release a minor real estate interest. Most attorneys recommend that their clients receive a general warranty deed. See chart No. 2 for example.

A general warranty deed should have the following components:

1. Premises (preliminary and explanatory part of a deed)
    a. Parties - always two or more
    b. Consideration - ten dollars and other consideration
    c. Words of conveyance
    d. Property description - sometimes called legal description
    e. Appurtenances - things that are conveyed with land
2. Habendum - to have and to hold clause which limits and defines an estate and the extent of ownership granted
3. Execution and acknowledgement (shown in sample deed)
4. Seal - notary
5. Delivery - to buyer
6. Recording - county clerk's office

Abstract of Title

One method usedby lawyers and buyers of real estate to check the accuracy of a title is to use an abstract of title, which is a chronological history of the property from the time of its patent up until its present owner. The abstract of title is prepared by an abstractor or abstract and title company. It is not a public document even though some people consider it as such.

An abstractor is a private business person who keeps an elaborate file of abstract summaries and prepares the abstract of title by summarizing the important parts of the recorded real estate instruments. A lawyer secures the abstract of title from an abstractor or title company and examines it for his client. The lawyer determines if there are possible flaws which might place a "cloud" on the title. Examples of "clouds" are unpaid mortgages or liens, judgments, and unpaid taxes. Parts of an abstract of title are shown in chart Nos. 3a and 3b.

Attorney's Opinion

An attorney's opinion should be sought when purchasing real estate. Normally, this should be an attorney other than the one preparing the deed. If the seller is paying for the preparation of the deed, the attorney preparing the deed represents the seller.

The attorney's opinion is given after an examination of the title to real estate. The opinion may require changes in the deed. It should be remembered that an attorney's opinion does not replace the title insurance policy nor the abstract of title. In some real estate transactions, an attorney's opinion is required.

Recording Real Estate Instruments

All written instruments in which real estate is created, transferred, mortgaged, assigned, or in any way in which the title is affected should be made a matter of public record by recording the instrument in the office of the county clerk or county recorder in which the real estate is located. This will assure that the transaction is reflected during a title search.

Leases

The leasing of property for business purposes is relatively common in all parts of the state. This is particularly true of farm operators. Approximately one-third of the farms in the United States are operated under lease agreements, and it is estimated that 75 percent of the farmers under 25 years of age are leasing the land they are farming. The high initial investment required to become established in farming compels most young men to lease a farm before purchasing one. A lease might be considered the first step in the direction of ownership. However, many older farmers lease land to increase efficiency, volume, and income.

Some people have a misconception pertaining to the legal aspects of a lease. A lease, either written or oral, is a legal contract between the owner (landlord) of property and another person. A lease conveys the use of property for a specific period of time for a specific consideration, and the lessee has possessory right during this period of time. The lessor, as well as the lessee, should be aware that a lease gives the lessee the use of property for the agreed upon period of time, and both should understand the rights and privileges of each party. Written leases are recommended, as they will often prevent misunderstanding and disagreement and can be used to recall facts and details of the agreement. Even though they are indefinite and unspecific, oral leases are still frequently made.

Types of Leases

Cash, crop share. livestock share, and sliding-scale cash are the four principal methods of leasing farm property.

Cash Method--When this method is used, the lessor furnishes the land and buildings and is paid a specified amount of cash. The lessor does not supervise production or participate in the management decisions.

Crop Share Method--The lessee pays the lease with a share of the crops raised. When this method of leasing is used, the lessee may pay for the use of pasture and buildings in cash. Usually the lessor will provide only land and buildings, but he also may furnish seed and fertilizer.

Livestock Share--The lessee and lessor own the livestock and livestock equipment and share jointly in the income.

Sliding-Scale Lease--This method provides a provision whereby the rental payments may change depending on the general price level of agricultural products. Instead of providing a specific amount of cash per acre for the lessor, the lease may stipulate the payment will be based on a certain amount of production and quality per acre. For example, the lease may specify the value of ten bushels of No. 2 corn at a certain time. The price of corn at this time will determine the amount of cash lease. Other crops or livestock might be used as a basis for determining cash rent.

A lease should fulfill two principal requirements. One is the division of income, and the other deals with farming efficiency. The farm income should be shared in proportion to the contribution made by the lessee and lessor in the production, harvesting, and marketing of products produced. A lease that promotes production efficiency, as well as farming efficiency, provides the incentive for the most profitable operation. Three ways of providing equal incentives to the lessee and lessor are listed below:

1. Cash expenses should be shared in the same proportion as income. If they are not shared in the same proportion, both parties do not have equal incentives. If the lessee is required to pay all of the fertilizer cost and receives only three-fourths of the crop, one can see that the lessee would not be interested in using fertilizer.
2. Income should be shared in the same proportion as expenses; otherwise, an enterprise most profitable to the lessee may not be the most profitable to the lessor. It would be a natural tendency for the lessee to expand those enterprises most profitable to him.
3. The length of the lease must not reduce the return on investment. A one-year lease will cause the lessee to emphasize short-term investments, but long-term investments are necessary to improve farm property. A provision in the lease providing compensation for the lessee's share of unused resources can prevent the lessee from emphasizing short-term investments.

Farm conditions are constantly changing and the cost of land, equipment, labor, and other production expenses change in relatively short periods of time. Examples of changes that have taken place are the decrease in the amount of labor input on the average farm from 56 to 29 percent of total inputs; costs of power and machinery increased from 10 to 22 percent; and the increase of feed, seed, and fertilizer from 5 to 11 percent. These and other possible changes should be considered in formulating long-term leases.

Determining Basis for Sharing Costs

The basis for sharing costs can be established by considering the fixed cost; contributions such as land, labor, and machinery; and the livestock contributed by each party. The proportionate sharing of the fixed costs determines the proportion for sharing cash operating expenses and income.

The table for estimating fixed costs given as chart No. 4 can be used to estimate the value of each party's contribution to the fixed expenses. The following procedure should be used for estimating expenses:

1. The value of each item under fixed investment expenses is determined. Land should be listed at agricultural value and not at market price. Buildings and fences should be listed at current market value and not at initial cost. Livestock, machinery, and equipment should be listed at current values.
2. The interest rate for each fixed investment is determined. This should be the current rate being paid on real estate and chattel mortgages.
3. Columns two and three are multiplied to get the total annual cost (whole farm, column 4), and the lessor's and lessee's shares are placed in columns five and six, respectively. The totals for section A are determined.
4. The annual fixed operating costs are determined and placed in the appropriate columns. The lessee's labor should be figured at the same rate as that of a good hired hand. Additional compensation for management services, line 18, should be given the lessee if he is to provide these services. The straight-line method of depreciation should be used in determining fixed expenses; however, a faster method may be used for income tax purposes.
5. The totals from sections A and B should be entered on line 23.
6. The total fixed expenses furnished by each party is divided by the total expenses of the farm to determine each party's share of expenses. These percentages are entered on line 24, and this percentage is the proportionate share of expenses and income that should be shared by each.

After determining the percent contributed by each party, negotiations must still take place between those involved.

Farm Contracts

The use of farming contracts, often called vertical integration, has increased considerably among farmers the last few years. Even though the term is rather new, contract farming has been in existence for many years. There are accounts of agreements between individuals who owned flocks and those who kept them in the Bible.

Contract farming is more extensive in some areas of farming than in others. It has been estimated that 95% of all broilers, a large percent of the turkeys, most of the market eggs, and a high percent of the feedlot cattle and hogs are produced under contract. Contract farming offers advantages as well as disadvantages to the farmer. The individual farmer will have to determine if the advantages in his particular case outweigh the disadvantages. Some advantages of contract farming are as follows:

1. It assures a farmer a market for his product.

2. It can provide needed capital for the farming operation.
3. It can reduce risk normally assumed by the farmer.
4. It may provide the farmer management assistance from production and marketing specialists.
5. It provides a fixed income.
6. Supplies are much easier to obtain, since the contractor is usually responsible for providing them.
7. It gives the farmer an opportunity to specialize and expand the farming operations.
8. It eliminates many of the farmer's marketing problems.

Disadvantages of contract farming are as follows:

1. Operating and production decisions may not rest with the farmer.
2. The opportunity of making a large profit may be sacrificed.
3. Contract farming tends to restrict the entry into farming. A contract is needed before a product can be marketed in an integrated situation.
4. It is possible that the farmer might lose bargaining power.
5. Contracts tend to limit the farmer's incentive and initiative.
6. A contract may prevent expansion of the farming program.
7. The farmer may lose valuable market contacts.
8. Contract farmers are usually placed under pressure from the contractor.

Since there are several terms used to describe the different forms of integration, an explanation is given of the most common form of integration (contract farming). When two or more successive stages of production or distribution are under contract to one firm this is referred to as vertical integration. This is the most common form. When two or more parts of the production processes are contracted, this is referred to as horizontal integration. For example, there are various stages in the broiler industry (hatching egg flocks, hatcheries, feed mills, feed stores, broiler production, processing, etc.). A contract between two of these stages would be horizontal integration. Circular integration is when both vertical and horizontal elements are under contract.

The extent in which some farm enterprises are integrated is listed below:

Broiler chickens--95% of those grown
Broiler hatching eggs--95%
Commercial eggs--35%
Turkeys--85%
Hogs--10%
Feedlot cattle--30%
Feedlot lambs--25%
Citrus fruit--nearly all marketing of citrus fruit is contracted
Vegetables for canning and freezing--90%
Milk--30%

Taxation

Every citizen has an interest in the taxes being paid, but few have an understanding of the origin or purposes of taxes. The purposes of discussing taxes are to determine why we have them, how they are assessed, and how the revenue from taxes is used.

Taxes are the principal means by which a government or political subdivision (branch) of a government raises revenue to support its operation. A government may also raise revenue by borrowing, which is not an uncommon practice; but the borrowed money plus interest is usually paid from taxes.

The government is composed of many kinds of units. There are more than 102,330 governmental units in the United States. Some of these units are as follows: one Federal Government, 50 state governments, 3,047 county and similar subdivisions, 17,198 towns and townships, 50,466 school districts, 17,183 incorporated cities, and 14,405 water districts, fire protection districts, etc. In Texas at the present time there are approximately one state government, 254 county units, 1,150 school districts, and 1,000 municipalities plus many other governmental units.

Income taxes, sales taxes, and property taxes (real and personal) account for a high percentage of the taxes paid by farmers in Texas. Taxes paid to the Federal government are in the form of income, excise, social security, gift, and estate taxes. Taxes levied by school districts are in the form of taxes on real estate and personal property. Most incorporated towns in Texas have this form of taxation, in addition to state sales taxes and city sales taxes.

Real estate taxes are based on the assessed value of the property within the taxing unit's district. By 1982, all taxing units within a county will use the same appraised value of property; however, each unit will establish its own tax rate. Taxes may be paid between October 1 and January 31. Taxes paid after January 31 are delinquent and a fee for being delinquent must be paid.

Personal property taxes are based upon the assessed value of personal property (car, boat, livestock, and other movable property). These taxes are paid at the same time other taxes are paid and to the same taxing entity.

As previously stated, property evaluations within a county are established by an appraisal district. If the property owner is not satisfied with the evaluation, he/she may appear before a board of equalization. All property is supposed to be appraised and the evaluation established at 100 percent of value.

A home with an appraised value of $50,000 and assessed at a tax rate of .74 cents per $100 of evaluation would cost the home owner $370.00 for taxes. Tax revenues may be increased in two ways: (1) increase the tax rate, and (2) increase the property evaluation.

WARRANTY DEED

THE STATE OF TEXAS

County of

Know All These Men by These Presents :

That

of the County of , State of for and in consideration of the sum of

DOLLARS,

to paid, and secured to be paid, by as follows:

have Granted, Sold and Conveyed, and by these presents do Grant, Sell and Convey unto the said

of the County of , State of all that certain

TO HAVE AND TO HOLD the above described premises, together with all and singular, the rights and appurtenances thereto in anywise belonging unto the said

heirs and assigns forever; and do hereby bind heirs, executors and administrators, to Warrant and Forever Defend all and singular the said premises unto the said

heirs and assigns, against every person whomsoever lawfully claiming, or to claim the same, or any part thereof.

But it is expressly agreed and stipulated that the Vendor's Lien is retained against the above described property, premises and improvements, until the above described note and all interest thereon are fully paid according to face and tenor, effect and reading, when this deed shall become absolute

Witness hand at this day of , A.D. 19

Witnesses at Request of Grantor:

SINGLE ACKNOWLEDGMENT

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared

known to me to be the person whose name subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the day of A. D. 19

(L. S.)

Notary Public in and for County, Texas

WIFE'S SEPARATE ACKNOWLEDGMENT

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared

, wife of , known to me to be the person whose name is subscribed to the foregoing instrument, and having been examined by me prively and apart from her husband, and having the same fully explained to her, she the said acknowledged such instrument to be her act and deed, and she declared that she had willingly signed the same for the purposes and consideration therein expressed, and that she did not wish to retract it.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the day of A. D. 19

(L. S.)

Notary Public in and for County, Texas

JOINT ACKNOWLEDGMENT

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared

and , his wife, both know to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they each executed the same for the purposes and consideration therein expressed, and the said , wife of the said having been examined by me prively and apart from her husband, and having the same fully explained to her, she, the said acknowledged such instrument to be her act and deed, and she declared that she had willingly signed the same for the purposes and consideration therein expressed, and that she did not wish to retract it.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the day of A. D. 19

(L. S.)

Notary Public in and for County, Texas

Chart No. 1c

PART OF WARRANTY DEED

THE STATE OF TEXAS
THE COUNTY OF

I HEREBY CERTIFY that the foregoing instrument of writing with its certificate of authentication, was filed for record in my office on the day of , A. D. 19 at o'clock M., and was duly recorded by me on the day of A. D. 19 in Vol. , page , of the Records of said County.

WITNESS MY HAND and the Seal of the County Court of said County, at my office in the day and year last above written.

(L. S.)

County Clerk County, Texas.

By ________________________, Deputy.

WARRANTY DEED

FROM

TO

FILED FOR RECORD

This ______ day of ______ A. D. 19___

at ______ o'clock ______ M.

County Clerk.

By ______ Deputy.

RECORDED

A. D. 19___

In ______ County Records

In Book ______, on Page ______

County Clerk.

By ______ Deputy.

Recording Fee $______

This instrument should be filed immediately with the County Clerk for record.

900-85
Chart No. 2

QUIT-CLAIM DEED

THE STATE OF TEXAS
County of

Know All Men by These Presents:

That

of the County of and State of , for and in consideration of
the sum of DOLLARS
to in hand paid by
of the County of and State of , the receipt of which
is hereby acknowledged, do , by these presents BARGAIN, SELL, RELEASE, AND FOREVER
QUIT CLAIM unto the said

heirs and assigns, all right, title and interest in and to that certain tract or
parcel of land lying in the County of , State of Texas, described as follows, to-wit:

TO HAVE AND TO HOLD the said premises, together with all and singular the rights, privileges and appurtenances thereto in any manner belonging unto the said

heirs and assigns forever, so that neither the said

nor heirs, nor any person or persons claiming under shall, at any time hereafter, have, claim, or demand any right or title to the aforesaid premises or appurtenances, or any part thereof.

WITNESS hand at this
day of A. D. 19
Witness at request of Grantor:

ABSTRACT OF TITLE

No. 56789

Abstract of Title

Prepared By

Podunk Abstract Co.

Podunk, Texas

MADE FOR

Johnny Hoe

-to-

All that certain lot or parcel of land described as being Lot No. 26 and North 1/2 of Lot No. 24 in Block No. 2 of the JOHN FORTHRIGHT ADDITION to the town of Podunk, Texas, facing High Street.

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For plats see back of this abstract. Said plats unfold to the right and left.

900-85
Chart No. 3b

PART OF ABSTRACT OF TITLE

THE PODUNK ABSTRACT CO.

The Podunk Abstract Company hereby certifies that the foregoing pages, numbered from

to inclusive, comprise a true abstract of all instruments filed and recorded in the records in the office of the County Clerk of Podunk County, Texas, and of all suits filed in the office of the District Clerk of Podunk County, Texas (exception tax suits) affecting the title to the real estate described on Page No. hereof.

This company does not certify as to the condition of the taxes and this certificate is not intended to cover taxes or suits brought to recover taxes, nor will this company be held responsible for any taxes due or to become due to the city, County or State on the real estate above described.

In Testimony Whereof, the Podunk Abstract Company has signed these presents, by its manager, under its seal, this day of A.D., 19 , at o'clock .M.

THE PODUNK ABSTRACT COMPANY

No. ________ By Manager

TABLE FOR ESTIMATING FIXED COSTS

FIXED EXPENSES (1)	ESTIMATED TOTAL VALUE (2)	ESTIMATED INTEREST RATE (3)	ESTIMATED ANNUAL COST		
			WHOLE FARM (4)	LANDLORD'S SHARE (5)	TENANT'S SHARE (6)
	DOLLARS	PERCENT	DOLLARS	DOLLARS	DOLLARS
A. FIXED INVESTMENT EXPENSES:					
1. LAND......................					
2. FARM BUILDINGS					
3. TRACTOR, TRUCK AND AUTO.....................					
4. MACHINERY AND EQUIPMENT					
5. BREEDING STOCK...........					
6. OPERATING CASH...........					
7. CROP ALLOTMENTS (NO. A. X VALUE/A.).......					
8.					
9.					
10. TOTAL SECTION A..........	XXXX	XXXX			
B. FIXED OPERATING EXPENSES:					
11. LABOR					
a. TENANT'S					
b. UNPAID FAMILY..............................					
c. LANDLORD'S.................................					
d. HIRED (PERMANENT NOT SEASONAL OR OTHER)					
12. DEPRECIATION					
a. BUILDINGS, FENCES AND OTHERS					
b. TRACTOR, TRUCK AND AUTOMOBILE					
c. MACHINERY AND EQUIPMENT					
13. TAXES					
14. INSURANCE.....................................					
15. LIMESTONE					
16. ROCK PHOSPHATE					
17. CONSERVATION MEASURES.........................					
18. MANAGEMENT....................................					
19.					
20.					
21.					
22. TOTAL SECTION B					
23. TOTAL SECTIONS A AND B					
24. PERCENT CONTRIBUTED BY......................					